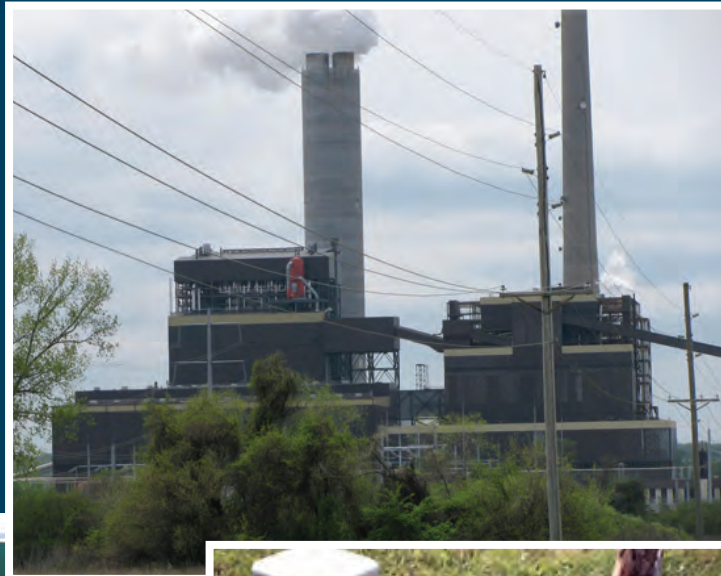


MISSOURI PUBLIC SERVICE COMMISSION



2011 Annual Report



Commissioners

KEVIN GUNN
Chairman

JEFF DAVIS

TERRY M. JARRETT

ROBERT S. KENNEY

VACANT

Missouri Public Service Commission

POST OFFICE BOX 360
JEFFERSON CITY MISSOURI 65102
573-751-3234
573-751-1847 (Fax Number)
<http://www.psc.mo.gov>

WESS A. HENDERSON
Director of Administration
and Regulatory Policy

STEVEN C. REED
Secretary/General Counsel

CHERLYN D. VOSS
Director of Regulatory Review

November 2, 2011

The Honorable Jeremiah W. Nixon
Governor of Missouri
State Capitol
Jefferson City, Missouri

Dear Governor Nixon:

As Chairman of the Missouri Public Service Commission, it is my pleasure to submit the agency's annual report for the fiscal year July 1, 2010 through June 30, 2011, as well as additional information for the calendar year 2011.

Some of the highlights of the Commission's work this year include:

- **Small formal complaint process:** Finalized new rules which are designed to streamline the process for customers filing a complaint against a utility company under PSC jurisdiction.
- **Energy Efficiency:** Developed new energy efficiency investment rules as well as renewable energy standards rules.
- **Energy Efficiency Study:** Continued work with the Missouri Department of Natural Resources and a hired consultant to study energy efficiency potential for Missouri.
- **Integrated Resource Planning:** Finalized electric utility resource planning rule revisions.
- **Natural Gas Pipeline Safety:** Issued a report on natural gas pipeline safety including past efforts and future initiatives to improve consumer safety. The Commission continues to take a proactive approach which includes looking at and extensively evaluating various pipeline replacement programs and leak survey inspections.
- **PSC Re-organization:** To give PSC employees the tools and structure necessary to continue to do a great job and improve upon current processes, the Commission announced changes to the structure and organization of the agency.
- **Federal Activity:** Continued to be a strong and active voice for Missourians on federal issues dealing with natural gas before the Federal Energy Regulatory Commission (FERC) and before the Federal Communications Commission (FCC) on telecommunications and broadband issues. Several issues before FERC and the FCC could have a significant bearing on the services that Missourians receive or the rates that they will pay.

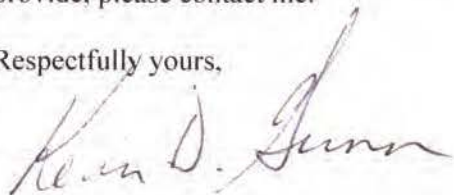
- **Federal Electric Activity:** Continued to be a strong voice for Missouri consumers on federal electric issues that could affect Missouri ratepayers. Many of the issues involve cost allocation methodologies related to the construction of regional transmission projects.
- **Customer Service:** The PSC Consumer Services Department responded to more than 10,000 complaints and/or inquiries from consumers during the fiscal year. This department is also instrumental in the Commission's continuing efforts to educate consumers on utility matters and the Commission's role.
- **Quality of Telephone Service:** Opened a case which examined the quality of local telephone service in Missouri. In addition, a report was filed examining basic local telephone rates in Missouri.
- **Natural Gas Rate Cases:** Reached decisions in four major natural gas rate cases (Ameren Missouri, Atmos Energy Corporation, The Empire District Gas Company and Southern Missouri Natural Gas).
- **Electric Rate Cases:** Reached decisions in three electric rate cases (Kansas City Power & Light Company, KCP&L-Greater Missouri Operations Company and The Empire District Electric Company). Each of these cases reflected the addition of a major state-of-the-art coal fired generating facility, Iatan 2. In July 2011, the Commission issued its decision in an electric case filed by Ameren Missouri.
- **Area Code Protection:** Continued aggressive telephone number conservation efforts to extend the lives of our state's six area codes. Missouri area code exhaust dates, originally thought to occur in the early 2000s, have now been extended to at least the first quarter of 2021.
- **Customer outreach:** Developed "Utility Days" where customers can meet with regulators, consumer advocates and utility companies to discuss problems they might be having with utility service and to provide information that may help resolve these issues. Also developed and implemented the "PSC Connection" magazine.

In addition, much work has been done and will continue to be performed at the Public Service Commission to determine how best to meet the future energy needs of our citizens. Energy efficiency and technology will play key roles. We have and will continue to have important discussions with the various stakeholders.

We are also very mindful that many Missourians may not be familiar with the operations of our agency. My fellow Commissioners and I will continue our efforts to further develop programs to help consumers better understand the role and responsibilities of the Public Service Commission. Our process can, at times, be complicated but it is an important one to understand. We are always looking for ways to bridge the communications gap between our agency and the general public.

I hope that you will find this report helpful and useful. If there is any additional information that we can provide, please contact me.

Respectfully yours,



Kevin D. Gunn
Chairman

2011

Table of Contents

Commissioners	2
Commissioner Biographies	3-5
Budget	6
Organizational Functions	7-8
Energy-Electric	11-14
Energy-Natural Gas	14-18
Water & Sewer	19
Telecommunications	19-22
Manufactured Housing	23-24
Management Services/Consumer Services	25-26
Year-In-Review	27-28
Rate Cases Decided	29
Utility Statistics	30-32
Commissioner History	34

MISSOURI PUBLIC SERVICE COMMISSION

Kevin D. Gunn, Chairman

Jeff Davis, Commissioner

Terry M. Jarrett, Commissioner

Robert S. Kenney, Commissioner

Robert M. Clayton, III, Commissioner

Photo by Harrison Sweazea



COMMISSIONER BIOGRAPHIES



KEVIN GUNN

Chairman

Chairman Kevin Gunn was appointed to the Missouri Public Service Commission on March 13, 2008, by Governor Matt Blunt. He was confirmed by the Missouri State Senate on April 10, 2008 and sworn in on April 21, 2008. He was appointed as Chairman by Governor Jay Nixon on February 10, 2011.

Prior to his appointment to the Commission, Gunn was an attorney in private law practice in St. Louis with the law firm of Sonnenschein, Nath and Rosenthal.

In 2000, Chairman Gunn joined the Gephardt in Congress Committee, working on the congressional campaign of Democratic Leader Richard A. Gephardt. He continued working for the committee until 2003. During his tenure, Mr. Gunn also worked on congressional redistricting in Missouri and was appointed by Governor Bob Holden to serve on the Missouri Commission on Reapportionment for the representative districts.

From January 2003 until January 2005, Chairman Gunn was chief of staff to Rep. Richard Gephardt overseeing all Congressional operations in Washington D.C. and St. Louis. Upon Representative Gephardt's retirement in January 2005, Mr. Gunn formed Gunn Communications LLC. In 2005, Chairman Gunn left Gunn Communications LLC to begin work for several large St. Louis law firms, practicing primarily in the area of governmental affairs.

Chairman Gunn received his Bachelor of Arts in political science from American University in 1992 and earned his Juris Doctor from St. Louis University School of Law in 1996. While in law school, Gunn worked for the Missouri Attorney General's office and interned for Federal District Judge George F. Gunn (no relation).

In 2008, Gunn was awarded an Eisenhower Fellowship. In May 2009, he traveled to Australia to study energy and economic development, carbon pollution reduction

schemes, renewable energy targets and carbon capture and sequestration.

Also in May 2009, Chairman Gunn was appointed to the National Association of Regulatory Utility Commissioners (NARUC) Board of Directors and currently serves on the Committee on International Relations. In July 2009, Chairman Gunn was appointed to the NARUC Committee on Water, and in September 2009, he was appointed Co-Chair of the NARUC Washington Action Program. Chairman Gunn is a member of the Executive Committee of the Eastern Interconnection States' Planning Collaborative (EISPC) and the Eastern Interconnection Planning Collaborative (EIPC) and the EIPC Stakeholder Steering Committee (SSC).

Gunn currently serves as the Chairman of the St. Clare Hospital Foundation Board. He has also served on the Webster Groves City Council, the St. Louis County Fire Standards Commission and the St. Louis Regional Chamber and Growth Association Public Policy Council.

Chairman Gunn is married to Amy Collignon Gunn, an attorney, and has two sons Connor and Nathan.

JEFF DAVIS, *Commissioner*

Jeff Davis was appointed to the Missouri Public Service Commission on April 30, 2004 and was named Chairman of the Public Service Commission by Governor Blunt on January 10, 2005. Commissioner Davis was re-appointed to a full six-year term in April 2006. He served as chairman until January 13, 2009.

Commissioner Davis has served as a member of the Missouri Universal Service Board, the Financial Research Institute Advisory Board, the National Association of Regulatory Utility Commissioners (NARUC) where he serves on the electric committee, the Advisory Board for the University of Missouri Delta Center for Agricultural Development in Southeast Missouri, Past President of the Mid-America Association of Regulatory Commissioners (MARC), and President of the Regional State Committee for Southwest Power Pool.



Commissioner Davis has served as Chair of the Missouri Energy Task Force, Chairman of the FRI Advisory Board at the University of Missouri, a member of the FERC Joint Oversight Board for Economic Dispatch for the MISO-PJM region, the Homeland Security Advisory

BIOGRAPHIES

Council, the Missouri Oil and Gas Council, a member of the Board of Directors for the Organization of MISO States (OMS), and as a member of the NARUC gas committee.

Prior to his appointment to the Commission, Davis served as General Counsel and Chief of Staff for Missouri Senate President Pro Tem Peter Kinder. While in that capacity, Commissioner Davis provided legal counsel to the Committee on Gubernatorial Appointments and the Senate Administration Committee; managed the President Pro Tem's office; and supervised the President Pro Tem's legislative agenda, which included drafting and helping pass several pieces of legislation such as: the Senior Care and Protection Act of 2003; the Dram Shop Act of 2002; the Religious Freedom Restoration Act; and legislation authorizing Missouri's first sales tax holiday.

From July 1998 until December of 2000, Commissioner Davis was Chief of Staff and General Counsel to Senate Minority Floor Leader Steve Ehlmann. Prior to that, he was a law clerk for the Honorable Paul J. Simon, Missouri Court of Appeals, E.D. and was a legal intern in Missouri Attorney General Jay Nixon's Labor Division.

Commissioner Davis graduated cum laude with a bachelor's of science degree in political science from Southeast Missouri State University in 1994 and received his juris doctorate degree from Washington University in 1997. Commissioner Davis was admitted to the Missouri Bar in October 1997, is a member of the Missouri Bar Association and Midwest Energy Bar Association.

Commissioner Davis resides in Jefferson City with his wife Tiffany (Southeast '96) and daughters Micah, Mackenzie and Mayson. He is the Past President of the Congregation at Faith Lutheran Church and serves on the national board of directors for the Phi Delta Theta Fraternity.

TERRY JARRETT, *Commissioner*

Commissioner Terry M. Jarrett was appointed by Governor Matt Blunt to the Missouri Public Service Commission for a six-year term on September 11, 2007. Commissioner Jarrett received unanimous Senate confirmation on January 17, 2008.

Commissioner Jarrett serves as Chairman of the Missouri Universal Service Board, which was established on March 31, 2002 to help low-income and disabled Missourians receive additional discounts for basic local telephone service. He additionally serves, by gubernatorial appointment, on the Committee on 911 Service Oversight. This committee has a variety of responsibilities, including aiding in and collecting information relating to use of a universal emergency telephone number, reviewing existing and proposed legislation and providing recommendations for model systems in preparing a model 911 service plan.

Commissioner Jarrett is a member of the National Association of Regulatory Utility Commissioners (NARUC). He serves on the NARUC Board of Directors and is Chairman of the NARUC Critical Infrastructure Committee and a member of the NARUC Gas Committee and the NARUC/FERC Smart Response Collaborative. Commissioner Jarrett is also a member of the NARUC Subcommittee on Clean Coal and Carbon Sequestration and a member of the Energy Bar Association.

He is also a member of the New Mexico State University Center for Public Utilities Advisory Council. The Advisory Council assists the Center for Public Utilities in providing educational and research services to the energy, water and telecommunications industries, and regulatory commissions.

Prior to his appointment to the PSC, Commissioner Jarrett was the Presiding Commissioner of the Administrative Hearing Commission. He formerly served as general counsel to Matt Blunt in both the Office of the Governor and the Office of the Secretary of State.

Commissioner Jarrett has practiced law as a private attorney and served as a judicial law clerk to the Honorable Duane Benton at the Supreme Court of Missouri. A veteran, he served as a Judge Advocate officer in the Army Reserves and Missouri Army National Guard from 2002-2010.

Commissioner Jarrett received a B.S. degree from Central Missouri State University (now the University of Central Missouri) and a J.D. degree from the University of Missouri-Columbia School of Law. While in law school, he was Editor-in-Chief of the *Missouri Law Review*. In 2005, Jarrett was honored with the Most Recent Distinguished Graduate Award by the University of Missouri-Columbia, School of Law.

Commissioner Jarrett is a member of the Cole County Bar, as well as the Missouri Bar where he is active on several committees, including serving as the chair of the Military Law Committee. He routinely lectures on administrative law, military law and other regulatory issues.



ROBERT S. KENNEY, *Commissioner*

Commissioner Robert S. Kenney was appointed to the Missouri Public Service Commission on July 29, 2009 by Governor Jay Nixon. He was unanimously confirmed by the Missouri State Senate on January 13, 2010.

Commissioner Kenney is an active member of the National Association of Regulatory Utility Commissioners. He serves on the Committee on Energy Resources and the Environment, the Consumer Affairs Committee, the Subcommittee on Utility Market Place Access, and the International Relations Committee. He currently serves as the President of the Organization of MISO States.

Commissioner Kenney has been invited to speak and present on a variety of legal and energy related topics including general and emerging issues in regulatory policy, renewable energy standards, smart grid deployment, customer engagement, integrated resource planning, environmental compliance, and market monitoring.



Prior to his appointment to the PSC, Commissioner Kenney served as Missouri Attorney General Chris Koster's Chief of Staff.

As Chief of Staff, Commissioner Kenney was instrumental in leading the office through the transition process. He was responsible for overall management of the Attorney General's attorney and non-attorney employees in five offices throughout the state. Commissioner Kenney was also responsible for managing and litigating complex cases involving, among other things, election law, petition initiatives, and representation of statewide

elected officials. Commissioner Kenney was also tasked with monitoring and advocating on behalf of legislation affecting the Attorney General's Office. As a part of the executive leadership team, Commissioner Kenney was responsible for the management and administration of a \$23 million budget. Commissioner Kenney also acted as the primary contact and liaison with multiple constituencies including the Missouri General Assembly, statewide elected officials, local/municipal elected officials and leaders, and the labor, law enforcement, agriculture, minority, and other communities.

Before working for the Attorney General, Commissioner Kenney was a shareholder at the St. Louis law firm Polsinelli Shalton Flanigan Suelthaus PC (now Polsinelli Shughart), where he practiced in the commercial and business litigation practice group and the product liability practice group. He litigated complex cases in state and federal courts in Missouri, Illinois, and other courts throughout the country. Commissioner Kenney chaired Polsinelli's diversity committee and served on the firm's recruiting committee.

Prior to his time in private practice at Polsinelli, Commissioner Kenney was an Assistant Attorney General in the Missouri Attorney General's Office for nearly three years, practicing in the Consumer Protection Division. In that division, Commissioner Kenney worked to enforce state and federal consumer protection laws. Commissioner Kenney also served the community by implementing community education and outreach efforts. Commissioner Kenney also played an instrumental role in the initial implementation and enforcement of Missouri's Telemarketing No-Call List Law.

Commissioner Kenney remains actively involved in a host of civic and bar related activities. Commissioner Kenney is a member of the Missouri Bar Board of Governors. Commissioner Kenney served as the Co-Chair of the 2009-2010 Missouri Bar Leadership Academy. He is Vice-Chair of the Missouri Bar's Twenty-Second Circuit Judicial Evaluation Committee and Vice-Chair of the Missouri Bar's Environmental and Energy Law Committee. Commissioner Kenney is a past President of the Mound City Bar Association. Commissioner Kenney has also served as a member of the board of governors of the Bar Association of Metropolitan St. Louis, serving as a presidential liaison.

Commissioner Kenney has served on the Board of Trustees for Fontbonne University, the Board of Directors for The St. Louis Black Repertory Theater, and the Board of Directors for the Portfolio Gallery and Educational Center. Commissioner Kenney is a member of Alpha Phi Alpha Fraternity, Inc., Epsilon Lambda Chapter.

Commissioner Kenney was selected to receive the St. Louis Business Journal's 2009 Inclusive Leadership Award. Commissioner Kenney was named to the St. Louis Business Journal's Class of 2009 40 Under 40. He was also recognized in the 2008 *Missouri and Kansas Super Lawyers*, as a "Rising Star" in the Business Litigation practice area. Commissioner Kenney was also selected to appear in the Fifth and Sixth Editions of Who's Who In Black St. Louis.

Commissioner Kenney earned his undergraduate degree in 1994 from Hampton University in Hampton, Virginia. He earned his law degree in 1998 from Saint Louis University School of Law. While in law school, Commissioner Kenney was an Articles Editor for the *Saint Louis University Public Law Review*. He was also a member of the National Moot Court Team and the Moot Court Board. He is licensed to practice law in Missouri and Illinois (inactive). He is a member of the American Bar Association, the Energy Bar Association, and the Mound City Bar Association.

Commissioner Kenney is married to Michelle (Oakley) Kenney. They have two children: daughter, Mackenzie; and son, Robert, Jr. They live in the Carondelet neighborhood in the City of St. Louis, Missouri.

ROBERT CLAYTON, *Commissioner*

Commissioner Robert M. Clayton III was appointed by Governor Bob Holden to a six-year term on the Public Service Commission, receiving Senate confirmation on May 8, 2003.

He served as Chairman from January 2009 until February 2011. Clayton formerly served in the Missouri General Assembly as the state representative from the 10th District. He was first elected to the Missouri House in 1994 and served four consecutive terms.

He resigned in August 2011, after being appointed a seat on the Missouri Court of Appeals (Eastern District).



BUDGET

Fiscal Year 2012

Public Service Commission

Public Service Commission - Personal Service	\$9,843,167
Public Service Commission - Expense & Equipment	\$2,409,637
Public Service Commission - Refunds*	<u>\$10,000</u>
Total	\$12,262,804
Full-Time Employees (F.T.E.)	194.00

Office of Public Counsel - Personal Service	\$593,501
Office of Public Counsel - Expense & Equipment	<u>\$107,189</u>
Total	\$700,690
Full-Time Employees (F.T.E.)	12.00

Deaf Relay Service and Equipment Distribution Program

Expense & Equipment Appropriation	<u>\$2,500,000</u>
Total	\$2,500,000
Full-Time Employees (F.T.E.)	0.00

Manufactured Housing Department

Personal Service	\$341,404
Expense & Equipment	\$145,089
Program Specific Distribution & Refunds (MH)*	\$7,935
Refunds*	<u>\$10,000</u>
Subtotal	\$504,428

Program Specific Distribution MH Consumer Recovery**

	<u>\$192,000</u>
Total	\$696,428
Full-Time Employees (F.T.E.)	8.00

TOTAL BUDGET	\$16,159,922
Full-Time Employees (F.T.E.)	214.00

*These program specific distributions and refunds are estimated appropriations.

**Consumer Recovery Fund Appropriation

ORGANIZATIONAL FUNCTIONS



Administration and Regulatory Policy Division

Wess Henderson,
Director

The Administration and Regulatory Policy Division is responsible for managing the Commission's human and fiscal resources. The division has agency-wide responsibilities with departments that are responsible for the annual budget, fiscal services and procurement, human resources and payroll. The Regulatory Policy and Public Information Department, another unit of the division, develops and distributes information to the media on agency activities, responds to media requests, and provides utility consumer education materials. The Legislative Coordinator, the agency's primary contact person with the General Assembly, is also assigned to this division and assists in responding to constituent inquiries.

Secretary/General Counsel Division

Steve Reed, Secretary/General Counsel

The General Counsel is authorized by statute to represent the Public Service Commission in all actions and proceedings, whether arising under the Public Service Commission Law or otherwise. Attorneys in the General Counsel's Office appear in state and federal trial and appellate courts on behalf of the Commission. The General Counsel also provides legal advice to the Commission and each Commissioner as requested. When authorized by the Commission, the General Counsel seeks civil penalties from persons or companies that have violated the Public Service Commission Law or the Commission's regulations or orders. The General Counsel's Office also appears for the Commission before



the Federal Energy Regulatory Commission. Within the Secretary/General Counsel Division, the Adjudication Department is the PSC's quasi-judicial component. A staff of regulatory judges handles cases from their filing until their resolution. The assigned judge presides over the hearings, rules on objections and motions, and drafts all orders, as directed by the Commission, for that

particular case. The Data Center receives all incoming pleadings and issues all Commission orders. In addition, the Data Center maintains and preserves the official case files, tariffs and other official documents of the Commission.

Regulatory Review Division

Cherlyn Voss, Director

The Director of Regulatory Review supervises and coordinates a number of PSC staff functions including rate cases, complaints, tariff filings, certificate applications, rulemakings and investigatory dockets. The Tariff, Safety, Economic & Engineering Analysis Department and the Audits, Accounting & Financial Analysis Department are a part of the Regulatory Review Division. The Staff Counsel's Office also reports to the Regulatory Review Division regarding case related and investigatory activities.



Natelle Dietrich

Director of Tariff, Safety, Economic & Engineering Analysis

The **Tariff, Safety, Economic & Engineering Analysis Department** consist of four units: Energy, Telecommunications, Water and Sewer, and Manufactured Housing. These units support the Commission in meeting its statutory responsibilities by providing technical expertise in safety; utility rates, tariffs, rules and regulations; economic analysis; engineering oversight and investigations; and construction inspections.

These units accomplish their mission by making recommendations to the Commission in the form of expert testimony, formal recommendations and presentations.



ORGANIZATIONAL FUNCTIONS

Robert Schallenberg **Director of Audits, Accounting & Financial Analysis**

The **Audits, Accounting & Financial Analysis Department** consist of five units which provide expertise to the Commission in the areas of utility accounting, auditing, engineering, finance, management and natural gas procurement. Staff members perform audits, examinations, analyses and review the books and records of the utilities providing service in Missouri. These employees express their conclusions and findings in the form of expert testimony and recommendations that are filed with the Commission. These units are also responsible for investigating and responding to consumer complaints and making recommendations to the Commission regarding their resolution.



Kevin A. Thompson **Chief Staff Counsel**

Attorneys of the **Staff Counsel's Office** represent the Commission's staff in administrative matters before the Commission. The Staff Counsel's Office also provides legal advice to the Commission's staff. The office houses the Consumer Services Department, the clearinghouse for all utility consumer inquiries. Consumer Services investigates and responds to complaints to ensure compliance with Commission rules and utility tariffs. When a consumer has an issue that is not satisfactorily resolved after an initial contact with the utility, the consumer may call the PSC consumer hotline (1-800-392-4211) for assistance.



KEY PSC PERSONNEL

Commissioners

Kevin Gunn, Chairman 751-0946
Jeff Davis, Commissioner 751-3233
Terry Jarrett, Commissioner 751-3243
Robert Kenney, Commissioner 751-4132

Administration and Regulatory Policy Division

Wess Henderson, Director 751-7435
Renee D'Alessandro
Manager-Human Resources 751-7508
Robert Boone, Legislative Coordinator . . . 522-8708
John Hanauer
Manager-Information Services 522-2453
EFIS Toll-Free Help Desk 1-866-365-0924
Kevin Kelly
Public Information Administrator 751-9300
Gregg Ochoa
Public Information Coordinator 522-2760

Secretary/General Counsel Division

Steven Reed, Secretary/General Counsel . . 751-3015
Morris Woodruff
Chief Regulatory Law Judge 751-2849
Kim Happy, Manager-Data Center 522-6225

Regulatory Review Division

Cherlyn Voss, Director 751-3966
Natelle Dietrich, Director of Tariff, Safety,
Economic & Engineering Analysis 751-7427
Bob Schallenberg, Director of Audits, Accounting &
Financial Analysis 751-7162
Kevin Thompson, Chief Staff Counsel . . . 751-2690
John Van Eschen
Manager-Telecommunications 751-5525
Lena Mantle, Manager-Energy 751-7520
Ron Pleus
Manager-Manufactured Housing 751-7119
Manufactured Housing Toll-Free
Hotline 1-800-819-3180
Jim Busch, Manager-Water & Sewer 751-7529
David Murray
Manager-Financial Analysis 751-9160
Mark Oligschlaeger, Manager-Auditing . . . 751-7443
David Sommerer
Manager-Procurement Analysis 751-4356
Lisa Kremer, Manager-Engineering &
Management Services 751-7441
Gay Fred, Manager-Consumer Services . . . 751-3160
Consumer Services Toll-Free
Hotline 1-800-392-4211

MISSION

Virtually every Missouri citizen receives some form of utility service from an investor-owned public utility company.

The Missouri Public Service Commission regulates investor-owned public utilities operating in Missouri. The PSC has the statutory responsibility for ensuring that customers receive adequate amounts of safely delivered and reasonably priced utility services at rates that will provide the companies' shareholders with the opportunity to earn a reasonable return on their investment. The PSC must balance a variety of often competing private interests to ensure the overall public interest.

Jurisdiction and Goals

The Missouri Public Service Commission (PSC or Commission) was created in 1913 by the Public Service Commission Law, now Chapter 386 of the Missouri Revised Statutes. Today, the PSC regulates approximately 800 investor-owned electric, natural gas, steam, telephone, and water and sewer utilities. In addition, the PSC regulates the operational safety of the state's 47 rural electric cooperatives and 42 municipally owned natural gas utilities. The PSC also regulates 131 manufacturers and 232 dealers of manufactured homes and modular units.

The PSC oversees service territory issues involving investor-owned electric utilities, rural electric cooperatives, municipally owned electric utilities, investor-owned water and sewer utilities and public water supply districts. Under federal law, the PSC acts as a mediator and arbitrator of local telephone service disputes regarding interconnection agreements.

Virtually every Missouri citizen receives some form of utility service from an investor-owned public utility company. Utility services and infrastructure are essential to the economy of Missouri. They provide heating and cooling during extreme temperatures. They offer access to emergency services and vital information systems. They provide safe drinking water and assure the environmentally sound disposal of wastewater. Because utilities fulfill these essential needs, the PSC must assure the ratepaying public that quality services will be available on a nondiscriminatory basis at just and reasonable rates.

Commissioners

The PSC consists of five Commissioners who are appointed by the governor with the advice and consent of the Missouri Senate.

The governor designates one member as the chairman who serves in that capacity at the pleasure of the governor.

Commissioners are appointed to six-year terms. These terms are staggered so that no more than two terms expire in any given year.

The PSC is both quasi-judicial and quasi-legislative. The PSC is responsible for deciding cases brought before it and for the promulgation of administrative rules and enforcement. Many of the PSC's actions or decisions involve hearings of contested cases, which by statute must be transcribed by a court reporter. Hearings are held in a trial-like setting using evidentiary standards under the Missouri Administrative Procedures Act. The PSC must render decisions in a timely manner to afford all parties procedural and substantive due process, and comply with statutory time limits.

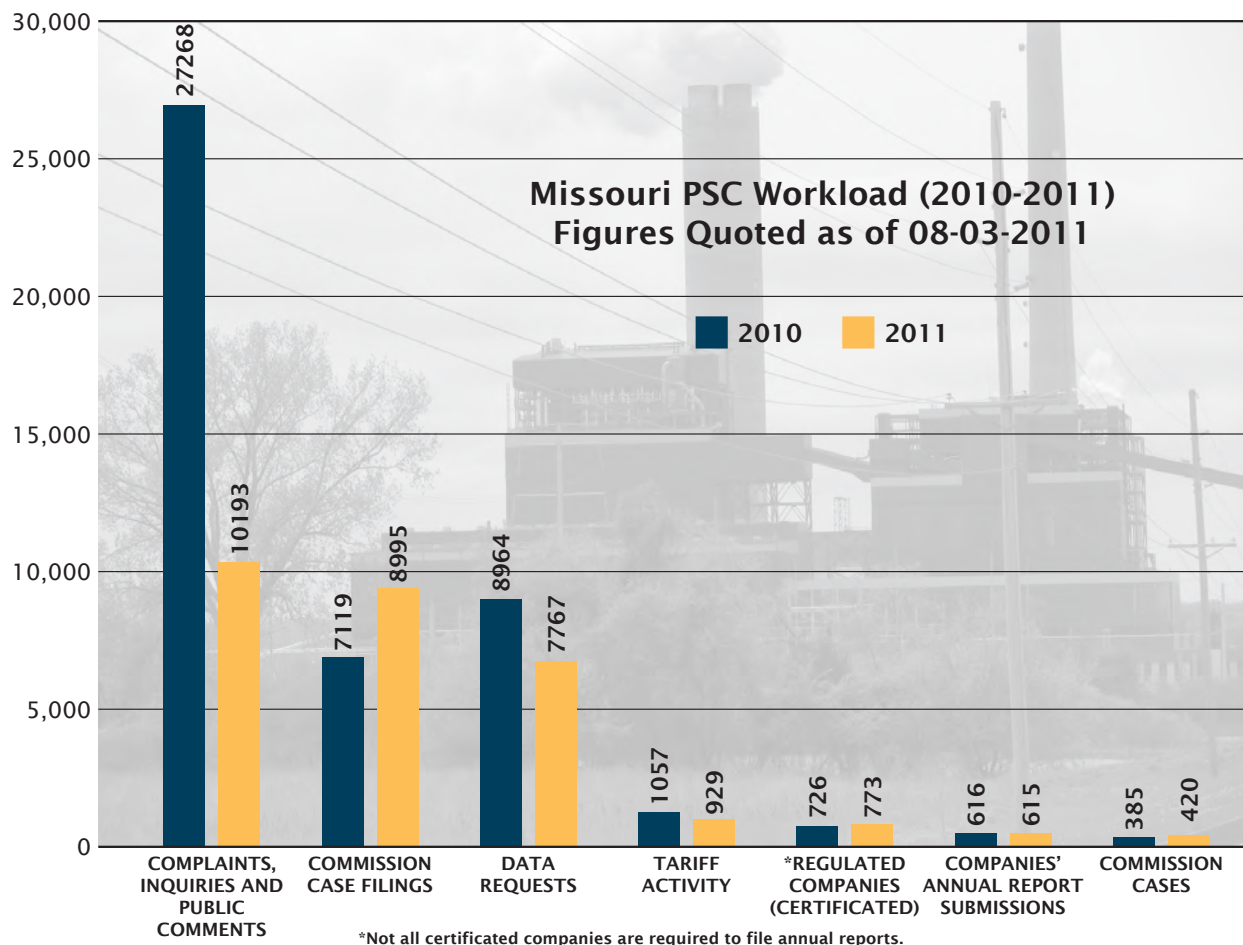
The PSC Staff

The Commission is assisted by a staff of professionals in the fields of accounting, consumer affairs, economics, engineering, finance, law and management. Duties range from helping individual consumers with complaints to investigating multi-million dollar utility rate requests.

The staff participates as a party in all cases before the Commission, conducting audits of the books and records of utilities and making recommendations to the PSC regarding what type of rate increase, if any, should be granted. PSC staff recommendations, like those filed by other parties to a proceeding, are evaluated by the Commissioners in reaching a decision in a complaint case or rate case. The PSC has established standards for safety and quality of service to which companies must adhere. Routine and special investigations of utilities are conducted by the PSC staff to ensure compliance.

Weekly Agenda Meetings

The Public Service Commission holds weekly agenda meetings to discuss various cases, policies and rulemakings, and to issue its decisions. Those meetings are open to the public and are webcast on the PSC's website.



ELECTRIC Rate Cases Decided

Kansas City Power & Light Company (Case No. ER-2010-0355)

On June 4, 2010, Kansas City Power & Light Company (KCPL) filed an electric rate case with the Public Service Commission seeking to increase annual electric revenues by approximately \$92.1 million. In its filing, KCPL stated the primary reason for the rate request was the addition of the Iatan 2 power plant.

In addition, the rate request reflected costs associated with environmental upgrades at the Iatan 1 power plant; costs related to various transmission and infrastructure projects designed to maintain system reliability; costs related to renewable energy projects such as wind and solar; and increased costs associated with the transportation of coal to several of KCPL's power plants.

The PSC voted to grant KCPL an electric rate increase of approximately \$34.8 million on April 12, 2011. The

decision marked the end of KCPL's 2005 regulatory plan for the construction of major new generation plant and needed plant upgrades that will provide KCPL customers with power for years to come.

KCP&L-Greater Missouri Operations Company (Case No. ER-2010-0356)

On June 4, 2010, KCP&L-Greater Missouri Operations Company (KCP&L-GMO) filed an electric rate case with the Public Service Commission seeking to increase annual electric operating revenues by approximately \$97.9 million. In its filing, the electric company stated the primary reason for seeking rate relief was the addition of the Iatan 2 power plant.

In addition, the rate request reflected costs related to environmental upgrades at the Iatan 1 power plant, the Jeffrey Energy Center and the addition of the Crossroads Energy Center to its generation fleet; costs related to various transmission and infrastructure projects designed to maintain system reliability; and increased non-fuel operating costs.

UTILITY ISSUES

The PSC voted to grant KCP&L-GMO an electric rate increase of approximately \$57.8 million on May 4, 2011. In order to lessen the financial impact on L&P service territory customers, the Commission ordered a three year rate phase-in.

The Empire District Electric Company (Case No. ER-2011-0004)

On September 28, 2010, The Empire District Electric Company (Empire) filed an electric rate case with the Public Service Commission seeking to increase annual electric operating revenues by approximately \$36.8 million. In its filing, Empire stated the primary reason for the rate request was the addition of the Iatan 2 power plant.

Empire owns approximately 12 percent, or about 102 megawatts, of the plant that is operated by Kansas City Power & Light Company. The Iatan 2 unit, along with several other significant system improvements, was included in Empire's long-term energy plan agreed to by various parties and approved by the Commission in August 2005.

The PSC approved an agreement on June 1, 2011, which granted Empire an electric rate increase of approximately \$18.68 million.

Ameren Missouri (Case No. ER-2011-0028)

On September 3, 2010, Ameren Missouri filed an electric rate case with the PSC seeking to increase annual electric operating revenues by approximately \$263 million. Ameren Missouri attributed approximately \$200 million of the proposed increase to energy infrastructure investments, environmental controls and other reliability costs to meet customer expectations for more reliable and cleaner energy.

The rate request included costs associated with the installation of two scrubbers at the Sioux Power Plant which are designed to remove in excess of 95 percent of the sulfur dioxide gas generated by the plant.

The Public Service Commission granted Ameren Missouri an electric rate increase of approximately \$172 million in an order issued on July 13, 2011. As part of that decision, the Commission denied Ameren Missouri's request to include any of the cost to rebuild the upper reservoir of the Taum Sauk plant in rate base.

Commission Rulemakings

Electric Utility Resource Planning Rule Revisions

The staff held a series of workshops with the investor-owned electric utilities, the Office of Public Counsel, the Missouri Department of Natural Resources, customers, consumer advocates and other stakeholders to gather input for revisions to Chapter 22 Electric Utility Resource Planning which have not been updated since the chapter was written in the early 1990s. The Commission also held two on-the-record hearings during which interested parties made presentations and the Commission gathered additional input for revisions to Chapter 22. The revised Chapter 22 rules became effective June 30, 2011. The first compliance filing under the revised rules will be made April 1, 2012.

RESIDENTIAL

State Name	Avg. Revenue (cents/kWh)	State Rank
Idaho	7.95	1
Washington	7.98	2
North Dakota	8.09	3
Kentucky	8.58	4
Arkansas	8.76	7
Nebraska	8.91	12
Oklahoma	9.08	13
Missouri	9.11	14
Tennessee	9.32	16
Kansas	9.91	18
Iowa	10.39	22
Illinois	11.51	31
U.S. Average	11.58	33
New York	18.56	50
Connecticut	19.29	51
Hawaii	28.1	52

COMMERCIAL

State Name	Avg. Revenue (cents/kWh)	State Rank
Idaho	6.65	1
Utah	7.17	2
North Dakota	7.18	3
Arkansas	7.23	4
Oklahoma	7.40	6
Missouri	7.49	8
Nebraska	7.63	10
Iowa	7.86	14
Kentucky	7.86	15
Kansas	8.12	16
Illinois	8.77	23
Tennessee	9.69	30
U.S. Average	10.26	37
New York	16.02	50
Connecticut	16.45	51
Hawaii	25.95	52

INDUSTRIAL

State Name	Avg. Revenue (cents/kWh)	State Rank
Washington	3.98	1
Utah	4.94	2
Wyoming	4.97	3
Kentucky	5.07	4
Oklahoma	5.21	6
Iowa	5.36	7
Arkansas	5.41	8
Missouri	5.53	10
Nebraska	5.91	17
Kansas	6.15	22
Tennessee	6.65	28
Illinois	6.70	30
U.S. Average	6.79	32
Alaska	14.14	50
Connecticut	14.38	51
Hawaii	21.93	52

Source: U.S. Energy Information Administration - 12 mos. Ending December 2010 - Table 5.6.B

Missouri Energy Efficiency Investment Act

The Missouri Energy Efficiency Investment Act (MEEIA), 393.1075 RSMo Supp. 2009, was passed by the Missouri legislature and signed by Governor Nixon in 2009. The purpose of this act was to encourage investor-owned electric utilities to develop and implement energy efficiency programs.

The staff held three workshops with the investor-owned electric utilities, the Office of Public Counsel, the Missouri Department of Natural Resources, customers, consumer advocates and other stakeholders to draft rules to comply with MEEIA. The rules became effective May 30, 2011. Electric utilities are expected to begin making filings requesting energy efficiency program cost recovery as a result of these rules as early as September 2011.

Renewable Energy Standards

In November 2008, Missourians passed an initiative petition requiring Missouri investor-owned electric utilities meet a given percentage of their customers' electricity needs through renewable energy beginning in 2011. The initiative petition also requires that 2 percent of the renewable energy standard be met with solar power and requires the utilities provide a \$2/watt rebate for customers that install solar generation effective January 1, 2010. After considering informal and formal comments from stakeholders, the Commission adopted rules implementing the renewable energy standards (RES) effective September 30, 2010. The electric utilities filed their first compliance plans with the Commission in April 2011.

Other Electric Utility Activity

American Recovery and Reinvestment Act of 2009 (ARRA)

The Commission continued to utilize an ARRA grant of \$900,000 to help facilitate timely consideration by the Commission of demand-side management tariff filings, integrated resource plans, rulemakings and other regulatory actions pertaining to the ARRA electricity-related topical areas of: renewable energy, energy efficiency, demand response, energy storage, Smart Grid, plug-in hybrid electric vehicles, coal and carbon capture and storage, transmission and distribution. ARRA funding was utilized for an engineer and a policy analyst to work full time on such projects. The grant also provides funding for existing Commission staff travel and training related to the ARRA electricity-related topical areas.

In addition, the Commission, working with the Missouri Department of Natural Resources, hired an Energy Assurance Analyst to review utility emergency situation policies and to update the State Energy Assurance Plan.

Fuel and Purchased Power Prudence Reviews

Three investor-owned electric utilities have approved fuel adjustment clauses through which the electric utility recovers from or refunds to customers 95 percent of fuel and purchased power costs, net of off-system sales, which have been under-collected or over-collected relative to a base amount set in the utility's last general rate case.

In fiscal year 2011, staff conducted a prudence review of fuel and purchased power related costs included in the fuel adjustment clause of Ameren Missouri. Staff investigated whether the conduct of the company's decision-makers was reasonable at the time, under all the circumstances, considering that the company had to solve its problem prospectively rather than relying on hindsight. As a result of this prudence review, the Commission ordered approximately \$17 million be returned to Ameren Missouri ratepayers.

Staff also began a prudence review of Empire's fuel and purchased power related costs. The results of the review are to be filed September 9, 2011.

Electric Utility Resource Planning Filings

On February 23, 2011 Ameren Missouri filed its resource plan in accordance with Chapter 22 rules. Staff, the Office of Public Counsel, the Missouri Department of Natural Resources and other intervenors filed reports on June 23, 2011, which included deficiencies and concerns identified by each organization. The parties have not resolved the deficiencies and concerns with Ameren Missouri's resource plan filing and will be taking their deficiencies and concerns to the Commission in the fall of 2011.

KCP&L-GMO filed a revised resource plan on January 18, 2011. Staff found the filing incomplete and requested, through a complaint case before the Commission, that KCP&L-GMO be required to complete its filing. KCP&L-GMO did so on July 1, 2011. Staff and other parties continue to review this filing.

Completion of the Iatan 2 Generating Station

Commercial operation of Iatan 2, the first new base load coal power generator installed by an investor-owned utility in Missouri since 1980, began on December 31, 2010. Iatan 2, located near Weston, Missouri, uses a supercritical steam generator and state-of-the-art air quality control devices to keep air emissions low. It provides capacity and energy to three of Missouri's investor-owned utilities (KCPL, KCP&L-GMO and Empire), as well as the Missouri Joint Municipal Electric Utility Commission and Kansas Electric Power Cooperative.

Federal Activity in Electric

Southwest Power Pool

The Missouri Public Service Commission was very involved in issues related to allocating the costs of transmission upgrades related to reliability, economic, and public policy concerns within the Southwest Power Pool (SPP) region.

SPP was very involved in implementing the new SPP "Highway Byway" cost allocation methodology, which involves a greater sharing of costs of future transmission projects among members of SPP. This greater sharing of costs has caused Commission staff to be even more involved in the development of transmission planning processes, as Missouri consumers will be responsible for more of the cost of all transmission planned across the system.

SPP planned for transmission upgrades needed 20 years from now under its new Integrated Transmission Planning strategy (ITP20). The Commission was very involved in the

UTILITY ISSUES

ITP20 planning process, from the identification of the needs of the system 20 years out to determining how the costs and benefits of proposed projects would be determined.

The final ITP20 report was approved by the SPP Board of Directors on January 25, 2011. None of the \$1.8 billion projects are located within Missouri. The Commission expressed concern that the projects identified were not creating sufficient benefits for Missouri ratepayers relative to the costs Missouri ratepayers would owe for the projects. The Commission is involved in ongoing discussions with SPP and SPP stakeholders regarding how to proceed if Missouri ratepayers would owe more costs than benefits received from SPP Board-approved projects.

In addition, the Commission was heavily involved in a new process for providing accurate and proper cost estimates for transmission projects during the transmission project evaluation and selection process. The Commission, in conjunction with other Regional State Committee (RSC) state utility commission members, proposed and passed five resolutions in October 2010 to bring more rigor and structure to the transmission cost estimation process. The RSC was led this past year by Missouri Commissioner Jeff Davis.

Commission staff participates in several meetings and working groups. The RSC's working group, the Cost Allocation Working Group (CAWG), participated in the development of the ITP20 and continues to function as the research arm for the RSC as needed.

The Economic Studies Working Group (ESWG) continues its work on the modeling methodology in order to successfully implement the ITP process, including the 10-year-out plan expected to be completed in January 2012 (the ITP10).

Midwest ISO

The Organization of MISO states (OMS), was heavily involved with the Midwest ISO's filing for a new cost allocation methodology, the "Multi Value Projects" (MVP) filing. OMS advocated diligently regarding the proper cost allocation methodology, using the methodology developed during the "Cost Allocation Regional Planning" (CARP) process as its baseline. MISO filed its MVP cost allocation filing in July 2010, and FERC accepted the filing in December 2010. The Commission and OMS also participated in the process of developing the proper collection of "Multi Value Projects" during the first half of 2011 through the Candidate MVP Task Force meetings.

Missouri Commissioner Robert Kenney had the responsibility of representing the OMS / State Regulatory Sector at the MISO Planning Advisory Committee (PAC) during the first half of 2011. The PAC is charged to "provide advice to the MISO Planning Staff on policy matters related to the process, adequacy, integrity and fairness of the MISO wide transmission expansion plan and cost allocation."

Commission staff also continued to monitor and participate in the Midwest ISO's Regional Expansion Criteria Benefits (RECB) process. The RECB meetings determine the criteria utilized in planning what transmission projects are constructed in the Midwest ISO footprint. The Commission provided requested input on the proper benefit criteria for selecting transmission projects to be built for primarily economic purposes.

OMS continued to participate in the Midwest ISO's efforts to

change the calculation of prices at nodes on the transmission grid, a concept known as "Convex Hull Pricing". A change in the pricing mechanism utilized by the Midwest ISO would affect the amount Missouri utilities pay for energy bought from the Midwest ISO as well as the price Missouri utilities receive when they sell energy through the Midwest ISO.

Federal Energy Regulatory Commission (FERC) Dockets

The Commission continued to participate in FERC Dockets related to general FERC policies on transmission issues. For example, the Commission filed comments in FERC Dockets related to proposed changes on how to plan and pay for transmission projects (FERC Docket RM10-23).

NATURAL GAS

Rate Cases Decided

Ameren Missouri (Case No. GR-2010-0363)

On June 11, 2010, Ameren Missouri filed a natural gas rate case with the Public Service Commission seeking to increase annual natural gas revenues by approximately \$11.9 million. The rate increase request reflected the company's investments in infrastructure and the increased cost of providing natural gas service to its customers since its last general rate increase in March 2007.

On January 19, 2011, the PSC voted to accept an agreement that had been reached by the parties in the rate case. The agreement authorized Ameren Missouri a net increase of approximately \$5.6 million in annual non-gas operating revenues.

As part of the agreement, Ameren Missouri will continue to provide various energy conservation and efficiency programs, including a weatherization program for low-income natural gas heating customers. Ameren Missouri will also continue its "Missouri Energy Efficient Natural Gas and Building Shell Measure Rebate Program" which provides rebates to residential customers for the installation of high efficiency heating systems and thermostats.

Southern Missouri Gas Company, L.P. (Case No. GR-2010-0347)

Southern Missouri Gas Company, L.P. d/b/a Southern Missouri Natural Gas filed a rate case with the Public Service Commission on May 21, 2010. The rate increase reflected the company's investments in infrastructure and the increased cost of providing natural gas service to its customers since its last general rate increase in 2000.

On January 19, 2011, the PSC approved an increase which authorized Southern Missouri Natural Gas to increase its annual non-gas operating revenues by approximately \$1.3 million.

Atmos Energy Corporation (Case No. GR-2010-0192)

On December 28, 2009, Atmos Energy Corporation (Atmos) filed a rate request seeking to increase non-gas operating revenues by approximately \$6.4 million. Atmos requested to retain its Straight Fixed Variable Rate Design (SFV) for its residential and small general service classes.

Atmos stated that its request was tied to increases in certain operating costs as well as return requirements on approximately \$66 million in rate base.

After reviewing all testimony and documents filed in the case, including a global stipulation and agreement of all the issues, the PSC approved an overall \$4.6 million increase effective September 1, 2010. Atmos' SFV rate design was discontinued voluntarily by the company as a part of the global settlement.

Atmos' prior rate case (**Case No. GR-2006-0387**), was remanded back to the PSC for additional deliberation. The global settlement also disposed of all issues in the remanded rate case. Under the agreement, Atmos will continue to provide energy efficiency and conservation programs to its customers.

Laclede Gas Company (Case No. GR-2010-0171)

On December 4, 2009, Laclede Gas Company filed a rate case request seeking to increase its non-gas annual operating revenues by approximately \$60.7 million, including amounts it had been recovering through its Infrastructure System Replacement Surcharge (ISRS). Laclede stated the rate request was needed to cover increased costs related to certain operating expenses and non-ISRS related investments.

After reviewing testimony and documents filed in the case, including a stipulation and agreement between the parties, the PSC approved a net increase of approximately \$20.5 million in annual non-gas revenues for Laclede. The stipulation and agreement also included annual funding of approximately \$1.7 million for cost-effective conservation and energy efficiency programs.

Other Natural Gas Utility Activity

Southern Missouri Gas Company (Case No. GA-2007-0168)

Southern Missouri Gas Company, L.P. d/b/a Southern Missouri Natural Gas was granted a Certificate of Public Convenience and Necessity (CCN) authorizing it to construct, operate, and maintain a natural gas distribution system in Branson, Branson West, Reeds Spring and Hollister, Missouri. The Commission approved a final CCN for the Company on June 24, 2008, with an effective date of July 5, 2008. Since that time, the Company started construction of the system and is now serving customers in Branson and Hollister Missouri.

Missouri Gas Utility/Southern Missouri Gas Company (Case No. GM-2011-0354)

Missouri Gas Utility (MGU) and Southern Missouri Gas Company, L.P. d/b/a Southern Missouri Natural Gas (SMNG) filed a Joint Application on April 27, 2011 seeking the acquisition of SMNG by MGU. Staff performed its analysis concerning this request and the parties are currently participating in a conference to determine what will be recommended to the Commission.

Pipeline Safety Report on Past Efforts and Future Initiatives to Improve Consumer Safety

The Public Service Commission continues to take a proactive approach to pipeline safety in Missouri. This approach includes looking at and extensively evaluating various pipeline replacement programs and leak survey inspections, even though the Commission's pipeline safety rules are, in many cases, more stringent than current federal regulations.

Gas safety personnel are in the field throughout the year evaluating the pipeline systems of Missouri's seven investor-owned natural gas companies, four intrastate transmission pipelines and 42 municipally-owned natural gas distribution systems. During the 2010 calendar year, natural gas safety department personnel conducted 74 comprehensive office and field inspections, follow-up inspections and construction inspections.

In a report released by the Commission in April 2011, a number of recommendations were made as the Commission continues its proactive approach to natural gas pipeline safety in Missouri. Those recommendations included:

- Reevaluating replacement programs and reviewing older vintage cast iron, natural gas pipeline facilities with the possible goal of initiating specific long-term replacement programs.
- Continuing advocacy efforts to prevent third party damage to pipelines caused by excavators through the PSC stakeholder process.
- Improving customer outreach efforts with education and information through PSC publications.
- Adopting amendments to various federal pipeline safety regulations including:
 - o Quarterly reporting of locations where multiple publicly-reported leak/odor calls have originated from the same location/address;
 - o Reporting to PSC pipeline safety staff when a natural gas operator is aware of a person who required medical attention as a result of the release of natural gas from operator facilities;
 - o Reducing the amount of time to repair a Class 3 leak which is a leak that does not constitute a hazard to property or to the general public but is of a nature requiring routine actions.

On-Going Natural Incident Investigations

Laclede Gas Company (Case No. GS-2011-0245)

Staff has been actively investigating an incident which occurred on January 8, 2011, at 3810 Council Grove Avenue in Pine Lawn, Missouri. The incident was the result of a natural gas explosion that caused structural damage to the residence. Staff determined that the incident occurred when natural gas emanating from a steel main fracture accumulated in the basement area of 3810 Council Grove Avenue and was ignited. The fractured pipeline is owned and operated by Laclede Gas Company (Laclede). The occupants of the house were on the first floor and reported minor injuries that did not involve hospitalization. The steel main fracture occurred at a location where previous

UTILITY ISSUES

excavation damage caused a dent in the steel main. The main in the area of the fracture has been replaced.

Staff visited the site and talked to Laclede personnel numerous times in the course of its investigation, collecting substantial amounts of information and documentation relevant to the investigation of the incident and the corrosion leaks that have occurred in the incident area. Staff is still in the process of reviewing this information and determining what type of recommendations should be made and what actions should be taken. Staff will file its final report by October 31, 2011.

Missouri Gas Energy (Case No. GS-2011-0248)

Staff has been actively investigating an incident which occurred on February 2, 2011 at the intersection of 107th Street and Blue Ridge Boulevard in Kansas City, Missouri. The incident was the result of a release of natural gas from a fractured 16-inch diameter steel natural gas transmission pipeline that was operating at a pressure of approximately 222 psig at the time of the incident. The fractured pipeline is owned and operated by Missouri Gas Energy (MGE), a division of Southern Union Company. There was no ignition of the natural gas, no injuries and no known damage to property other than property owned by MGE. MGE welded a repair sleeve onto the pipe to contain the fractured surface. Since the repair, MGE has been operating at a reduced pressure (approximately 160-170 psig).

Staff visited the site and reviewed information provided by MGE. At this time, piping containing the fracture has not been removed for testing and the cause of the fracture is still undetermined. Staff is analyzing the documentation and operating history provided by MGE to establish several aspects of pipeline integrity for this segment of pipeline. Staff is evaluating alternatives for additional testing, inspection and/or replacement to address the unknown aspects of the pipeline integrity. A final or status report will be filed by October 31, 2011.

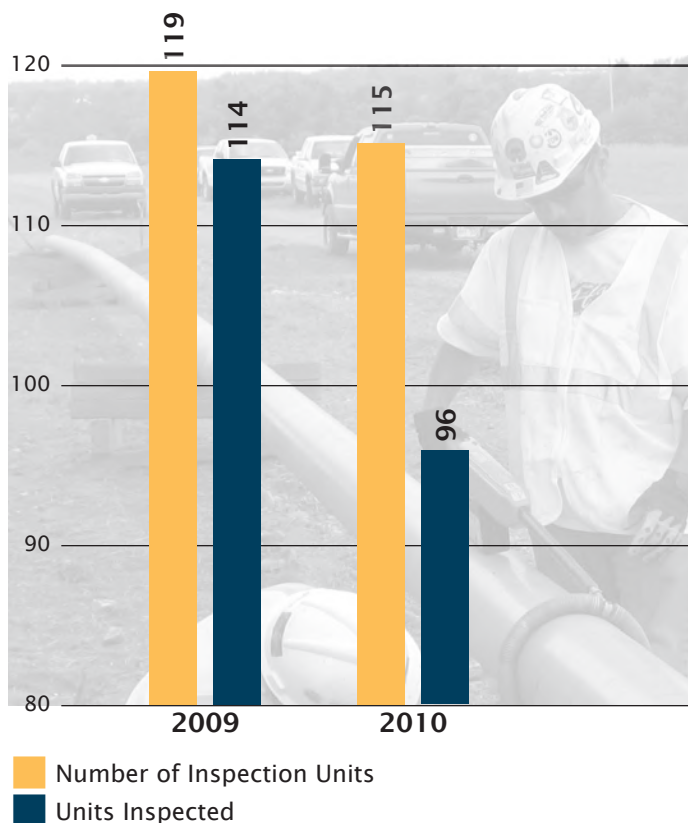
Procurement Analysis

Natural Gas ACA Activities

There are seven natural gas local distribution companies serving Missouri - Ameren Missouri, Atmos Energy Corporation, Empire District Gas Company, Laclede Gas Company, Missouri Gas Energy, Missouri Gas Utility, and Southern Missouri Natural Gas.

The Procurement Analysis Department conducts an annual Actual Cost Adjustment (ACA) review at the end of each ACA period for each natural gas local distribution company. A primary purpose of the ACA process is to reconcile the company's actual gas costs with what it charged customers (its billed revenues). In its purchased gas adjustment (PGA) filings, the Company estimates its gas costs for the upcoming year. In the ACA, the estimate is reconciled with the actual prudently incurred cost of gas. In this function, the Procurement Analysis Department staff reviews the LDC's true-up of gas costs for the period under review. A comparison of billed revenue recovery with actual gas costs will normally yield either an over-recovery or under-recovery of the ACA balances.

Missouri Jurisdictional Gas Utilities Inspection Units - Gas Safety



Another purpose of the ACA process is to examine the reliability of the LDC's gas supply, transportation, and storage capabilities. For its analysis, the PSC staff reviews the estimated peak day requirements and the capacity levels to meet those requirements; peak day reserve margin and the rationale for this reserve margin; and natural gas supply plans for various weather conditions.

A third purpose of the ACA process is to review the LDC's gas purchasing practices to determine the prudence of the company's natural gas purchasing and operating decisions.

Staff will consider the financial impact on customers of the LDC's use of its gas supply, transportation and storage contracts in light of the conditions and information available when the operational decisions were made.

The Procurement Analysis Department, in conjunction with other staff, held discussions with LDCs regarding their hedging activities for the 2010/2011 winter. These discussions were held to inquire as to whether the LDCs were taking actions to mitigate the effects of potential winter price spikes on their price of gas.

Other Proceedings

Although focused largely on natural gas ACA activities, Procurement Analysis, because of its knowledge of natural gas issues, assisted in the review of LDC complaint cases, merger cases, proposed tariff changes, energy efficiency programs to encourage customers to make their homes and businesses more energy efficient, and certificate cases,

including Missouri Gas Utility expansions where existing companies had plans to expand or bring natural gas to areas without this service. The department also assisted in the review of affiliated transactions that impacted the recovery of gas costs.

Procurement Analysis also monitors conditions in the natural gas markets where, since early 2010, a period of relatively stable prices has prevailed. These relatively stable prices have been attributed to increased shale supplies among other factors. Those increased shale supplies have been driven by hydraulic fracturing and horizontal drilling.

Federal Natural Gas Activities

The Federal Energy Regulatory Commission (FERC) regulates interstate natural gas pipeline companies. The PSC participates at FERC because decisions by FERC directly affect Missouri natural gas consumers. The PSC actively participates in company specific and generic proceedings, focusing on those pipelines having the greatest impact on Missouri consumers and/or those where representation of Missouri interests is otherwise limited or absent. The PSC strives to ensure that Missouri consumers receive reliable natural gas transportation service at reasonable rates.

Missouri's Local Distribution Companies (LDCs), including both natural gas utilities and electric utilities that generate energy with natural gas powered combustion turbines, must rely on FERC regulated interstate pipelines for storage and delivery of their natural gas supplies. Currently 11 interstate pipelines physically located within the boundaries of the state of Missouri are able to serve Missouri utility companies, with an additional 4-6 upstream pipelines providing transportation and, in some cases, natural gas storage service.

Three pipelines deliver the majority of the state's natural gas to Missouri LDCs: Panhandle Eastern Pipe Line Company, LP (Panhandle), Southern Star Central Gas Pipeline Inc. (Southern Star), and CenterPoint Energy-Mississippi River Transmission Corporation (MRT). Southern Star has several pipelines that serve the Kansas City, St. Joseph, Springfield and Joplin areas as well as a small lateral terminating in St. Louis. Panhandle serves Kansas City, central Missouri and St. Louis. MRT serves St. Louis and portions of southeast Missouri. In addition, Natural Gas Pipeline Company of America (NGPL), Ozark Gas Transmission, LLC and Texas Eastern Transmission serve southeastern Missouri. Kinder Morgan Interstate Gas Transmission, LLC and PostRock KPC Pipeline, LLC serve the Kansas City area. ANR Pipeline Company serves northern Missouri and MoGas Pipeline serves from St. Louis to Rolla. Rockies Express Pipeline, LLC also crosses the state of Missouri.

Department Focus during the 2011 Fiscal Year

Southern Star Cases of Interest

In recent years, Southern Star has filed at FERC for approval to complete improvement/expansion projects at six of its Kansas natural gas storage fields. The PSC has intervened

in four filed cases (**Docket No. CP07-89, North Welda Gas Storage Field; Docket No. CP08-4, South Welda Gas Storage Field; Docket No. CP10-2, Elk City Gas Storage Field and this year in Docket No. CP11-481, Alden Gas Storage Field**). The migration of natural gas out of Southern Star's storage fields and the alleged venting of natural gas from the storage fields by oil well producers have contributed to increased fuel losses over time. Southern Star's improvements and expansions at the natural gas storage fields should help reduce the amount of fuel lost from these fields, resulting in reduced costs to Missouri consumers.

Southern Star amended its filing in **Docket No. CP10-2** in July 2010 after FERC's initial order issued in May 2010 requested further support for Southern Star's request to convert 1.4 billion cubic feet (Bcf) of base gas capacity to working gas capacity. FERC issued an order amending the initial May 2010 certificate on October 21, 2010 authorizing market-based rates for firm and interruptible storage service rates for the incremental 1.4 Bcf of storage.

The PSC intervened in **Docket No. CP11-481** on May 19, 2011. The Alden Gas Storage Field expansion project proposes to expand the storage field boundary and buffer zone by an additional 1,592 acres and convert one active oil/gas production well within the proposed expansion acreage into a pressure observation well. FERC approval of the project would allow Southern Star to better secure the integrity of the storage field. An environmental assessment by FERC staff is scheduled to be issued in September. Currently this project is under review by FERC and a decision may come by the end of 2011.

On January 28, 2010, Southern Star filed FERC **Docket No. CP10-48** to replace two miles of 12-inch pipe with 20-inch pipe in Johnson County, Missouri. This filing is the next phase of the pipeline replacement project which replaces sections of pipeline that were originally placed into service in the 1930s. The PSC intervened in this case to monitor construction activities and any land owner complaints. The project was completed and the final environmental inspection report was filed in January 2011. Southern Star will continue with additional phases of its pipeline replacement program in Missouri over the next 3-4 years.

Fuel Tracker Cases

The PSC has intervened this year in a number of Fuel and Lost-and-Unaccounted-for-Gas (LUFG) cases in which interstate pipelines have filed to increase their LUFG rates. LUFG rates are recovered through in-kind gas from shippers. Shippers on a given interstate pipeline are required to put gas into the system for the use of the pipelines. Interstate pipelines typically use this gas in two ways: to fuel compression stations and to replace gas that the pipeline loses in the transportation process. Gas may be lost from a pipeline in several ways including leakage or during repair and maintenance of the pipeline.

FERC allows pipelines to adjust LUFG rates based upon the actual usage or fuel loss the pipeline has experienced during the last annual period. The majority of these Fuel and LUFG rate filings are accepted and approved by FERC without issue. The PSC intervenes, however, so it may participate in the event any proceedings or settlement discussions are necessary.

UTILITY ISSUES

The PSC will continue to analyze fuel recovery cases of the interstate pipelines passing through Missouri to determine whether reductions of proposed in-kind fuel contributions are warranted.

MoGas Pipeline LLC

At the end of June 2006, FERC-regulated Missouri Interstate Gas LLC (MIG) and Missouri-regulated Missouri Pipeline Company LLC (MPC) and Missouri Gas Company LLC (MGC) applied at FERC (**Docket Nos. CP06-407 et al.**) to merge into a single interstate FERC-regulated pipeline. The PSC filed a protest with FERC, which identified excessive costs the pipelines included in their estimated cost-of-service. On April 20, 2007 FERC issued an Order authorizing the three affiliated pipelines to merge. The Order also reduced the MoGas proposed tariff rates by approximately \$2 million as a result of challenges to the rates made by the PSC and other parties to the case.

In the same proceedings the PSC challenged FERC's order, alleging that improper inclusion of an acquisition premium in the rate base of MoGas resulted in overcharges to Missouri customers of approximately \$1.3 million annually. FERC denied the PSC's challenge. The Missouri Public Service Commission appealed FERC's decision to the United States Court of Appeals for the D.C. Circuit (Docket No. 09-1121) and on April 13, 2010, the D.C. Circuit Court agreed with the PSC's arguments and vacated FERC's order and remanded the case back to FERC.

On November 1, 2010, FERC set the remanded case for hearing to establish additional procedures to address the acquisition premium issue. The PSC fully participated in discovery and the analysis of documents pertaining to the acquisition premium issue. Two rounds of testimony were filed by the PSC's witness in the case. On August 1, 2011, the PSC participated in the FERC hearing. An initial decision in this case is due in November 2011.

FERC Over-Earning Complaint Cases

Two FERC over-earnings complaints during the PSC's fiscal year culminated in savings to Missouri consumers. Kinder Morgan Interstate Gas Transmission LLC (Kinder Morgan) serves Missouri Gas Energy and consumers in the Kansas City area and Ozark Gas Transmission, LLC (Ozark) serves Atmos Energy Corporation and consumers in southeast Missouri. FERC ordered over-earning investigations in 2009 and 2010 of several interstate pipelines based on analyses of public information. Investigations lead to settlements between the interstate pipelines and the parties providing consumers with cost reductions. Some Missouri consumers have benefited from these proceedings.

Kinder Morgan FERC Docket No. RP11-1494

FERC issued an order on November 18, 2010 for its staff to investigate whether Kinder Morgan was over-recovering its cost of service and fuel and lost and unaccounted-for gas. The PSC intervened in this case along with 31 other parties including the Kansas Corporation Commission. Kinder Morgan provided a cost and revenue study on January 24, 2011. Informal settlement conferences convened in March, leading to the filing of a Stipulation and Agreement of Settlement on May 5, 2011.

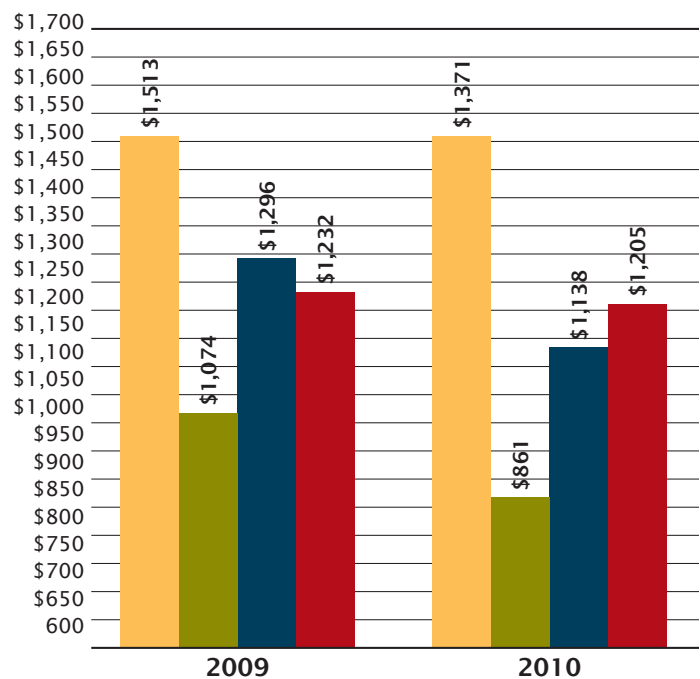
The settlement provided shippers with a reduction in all stated Fuel and Loss (FL&U) Reimbursement Percentages beginning June 1, 2011 with an additional reduction for some delivery points beginning January 1, 2012. In addition, the settlement stipulates a one year rate case moratorium along with the requirement that Kinder Morgan file a cost and revenue study within four years of the effective date of the settlement.

Ozark FERC Docket No. RP11-1495

FERC also issued an order on November 18, 2010 for its staff to investigate whether Ozark was over-recovering its cost of service and fuel and lost and unaccounted-for gas. The PSC intervened in this case along with 16 other parties including the Arkansas Public Service Commission. Ozark provided a cost and revenue study on February 1, 2011.

Informal settlement conferences convened in March leading to the filing of a Stipulation and Agreement by Ozark on April 29, 2011. Parties agreed to a one-year rate moratorium and Ozark agreed to file a rate case no later than the fourth anniversary of the settlement effective date. Under the terms of the settlement, customers will share revenues that Ozark earns above \$35.5 million annually. The sharing will be pro rata based on firm transportation customer actual demand charges.

Residential Natural Gas Heating Customer Bill for Annual Usage of 120 Mcf



■ Ameren Missouri (PEPL)
 ■ Atmos (SEMO)
 ■ Laclede Gas
 ■ Missouri Gas Energy (KC)

WATER AND SEWER DEPARTMENT

The Water and Sewer Department provides technical expertise in the operation of the water and sewer companies and analyzes applicable tariffs and tariff filings to ensure they are in compliance with appropriate state law, commission rule, and are fair for both the utility and consumer.

The main functions of the Water and Sewer Department are to assist small companies in their day-to-day operations, conduct inspections, assist customers, investigate customer complaints, work on tariff filings, review small and large company rate requests, and review applications for certificates of public convenience and necessity to ensure that a proposed utility is in the public interest.

The Department plays a key role in developing appropriate rates required for the utility to collect the revenues that have been approved by the PSC.

There are approximately 80 regulated water and/or sewer companies in the State of Missouri. Most of these companies are considered small or very small based upon those definitions as provided by the National Regulatory Research Institute (NRRI). One of the major challenges is providing the utility with reasonable rates to make needed repairs and Missouri Department of Natural Resources (DNR) mandated upgrades while at the same time keeping them reasonable for consumers.

In fulfilling its duties, the Water and Sewer Department also works very closely with DNR whose responsibilities include ensuring that the utilities are complying with the applicable federal and state environmental and water quality laws and regulations.

The PSC and DNR share information about the companies they regulate under a Memorandum of Understanding. This agreement includes provisions regarding the agencies' cooperation and coordination on overlapping matters such as DNR's issuance of construction and operating permits and the PSC's utility service area certification process.

The Department is also active in federal activities that impact water and sewer industries in Missouri. Many of the issues that are impacting these industries in Missouri are obstacles in the other states as well; therefore, the Department participates in working groups with NRRI and NARUC.

Docket No. WW-2009-0386 is an open docket that created a working group to investigate ways to address the major issues impacting the water and sewer industries in the State. Stakeholders in this process include the PSC staff, the Office of the Public Counsel, DNR, the Attorney General's Office, representatives from small water and sewer companies throughout the state, and large water and sewer companies. This is an important resource for the Water and Sewer Department and will continue to be utilized in the future.

TELECOMMUNICATIONS PSC Regulatory Authority

The Missouri Public Service Commission's regulatory authority over intrastate telecommunications services has changed over the past several years. House Bill 1779, implemented on August 28, 2008, deregulates and relaxes existing regulatory requirements for various telecommunications markets. During the past legislative session, House Bills 338 and 339 were passed providing further regulatory relief from tariff requirements, PSC retail rules and carrier of last resort obligations. A year ago, House Bill 1750 was passed requiring the five largest incumbent local telephone companies in Missouri to reduce intrastate switched access rates.

The PSC has limited authority over most landline or wireline telecommunications services including local telephone services, interexchange telecommunications (IXC) services, interconnected voice over the Internet protocol (VoIP) services, video services, payphone services, and shared tenant services. At a minimum, these entities are required to obtain a certificate of service authority or register with the Missouri Public Service Commission.

The PSC does not have authority over wireless services; nor does the Commission have authority over broadband or Internet access services. Nevertheless, to the extent the Commission has certain authority over telephone numbers, interconnection agreements, inter-company disputes and the administration of certain programs, providers of these services may have interaction with the PSC.

Forty-three incumbent local telephone companies currently operating within Missouri are regulated differently depending on whether a company meets certain criteria. For telephone cooperatives, the Commission's rate-setting authority is limited to switched access rates. Price cap regulation applies to two companies and competitive regulation applies to three companies. As a result, these companies have essentially complete pricing flexibility. All companies, regardless of the type of regulation, have complete pricing flexibility for bundled services that include a telecommunications service as well as for all business retail telecommunications services.

In general, interconnected VoIP services are primarily deregulated; however, VoIP providers are required to comply with certain obligations such as contributing to the Relay Missouri and Missouri Universal Service funds. To date, 28 companies are registered with the Commission to provide VoIP service. VoIP registration has generally been limited to "fixed" rather than "nomadic" VoIP providers. This distinction is generally based on whether a provider's VoIP service is dedicated to a fixed location or is mobile and can easily be used at any broadband connection. A docket (**DO-2011-0251**) was established to see if "nomadic" VoIP providers should be required to register with the PSC. That issue is still pending before the Commission.

Competitive wireline telecommunications service providers not using VoIP technology are under minimal regulation. These companies generally have complete pricing flexibility but are required to maintain tariffs and comply with certain Commission rules. At present, 277 interexchange carriers and 92 competitive local exchange companies are under this

UTILITY ISSUES

form of regulation. These numbers are down from last year by 11% and 21%, respectively, due to recent PSC action as contemplated by Section 392.410.5 canceling the certificates of companies failing to use the certificates.

Missouri law allows video service providers to register with the Commission to provide video services and avoid obtaining local approval. The Commission's authority is limited to issuing state-issue video authorization. The Commission has no authority over a video service provider's rates or quality of service.

Currently 59 payphone providers and 16 shared tenant service providers have certificates of service authority to provide services in Missouri. These providers are not required to file tariffs.

Telephone Numbers

The Missouri Public Service Commission continues to be aggressive in its efforts to conserve telephone numbers in Missouri. Those efforts have enabled Missouri to delay the implementation of new area codes in the state. PSC efforts to delay new area code implementation includes ensuring that telecommunications carriers do not maintain excessive levels of unused blocks of telephone numbers. As a result, significant amounts of unused telephone number blocks have been returned for redistribution.

Missouri's area codes are projected to exhaust all available telephone numbers at the following time periods:

AREA CODE	PROJECTED DATE OF TELEPHONE NUMBER EXHAUSTION*
314	1st quarter of 2021
417	3rd quarter of 2022
573	1st quarter of 2022
636	4th quarter of 2034
660	1st quarter of 2024
816	2nd quarter of 2026

*Forecast as approved by the FCC in April 2011. The exhaust dates are reviewed twice a year by numbering authorities.

Programs Administered by the Missouri Commission

Missouri Universal Service Fund: The Missouri Universal Service Board (Board), consisting of the Missouri Public Service Commission and Office of the Public Counsel, oversees the Missouri Universal Service Fund (USF) pursuant to Section 392.248 RSMo. The Missouri USF solely provides funding for discounted telecommunications services for qualifying low income and disabled customers. There are 63,869 subscribers in Missouri receiving support which represents an 11% decrease over the past year.

As of July 2011, the fund reserve balance was \$1,860,638 with average monthly incoming revenues of \$261,159 and average monthly outgoing funds of \$221,478. Funding is generated through an assessment applied to

telecommunications company revenues. The assessment is currently .0029, which is applied to a company's retail Missouri net jurisdictional revenues. Central Bank has been the Missouri USF Administrator since July 2007 and was recently awarded a new contract through a competitive bid process. The new contract began in July 2011 and expires July 2013; however, the Board has the option to extend the contract for additional one-year terms.

Federal Universal Service Fund Program: The federal USF program provides a variety of funding opportunities for providing telecommunications services. State regulatory commissions help the Federal Communications Commission (FCC) with administering certain aspects of the federal USF program, most notably high cost support as well as low-income assistance programs more commonly known as Lifeline programs.

State commissions can assist in determining if companies qualify and are appropriately using of federal USF financial support. For example, in order to qualify for certain federal USF support, a company must meet state and federal criteria establishing the company as an eligible telecommunications carrier (ETC). ETCs receiving high cost federal USF support must also be annually certified by a state regulatory commission. Such annual certification is intended to ensure that companies are appropriately using the funding. Forty-six companies currently go through the annual certification process in order to continue to receive high cost federal USF support. These companies are comprised of 40 incumbent local telephone companies, three wireline competitive local exchange companies (CLECs) and three wireless companies. During the past year several companies were designated ETC status in order to receive federal USF funding for Lifeline programs only.

An effort has been made to ensure companies comply with requirements associated with receiving funding from the Missouri and federal USFs. For example, the Universal Service Administrative Company, who administers the federal USF, teamed-up with the PSC this past year to conduct a webinar for companies participating in the Lifeline and LinkUp programs. In addition, the PSC staff performed an audit of the 60 companies offering Lifeline service to ensure program compliance. Dockets (TX-2011-0415 and TW-2012-0012) were established to consider a rulemaking designed to clarify and expand ETC requirements.

Relay Missouri: The PSC oversees the Relay Missouri service pursuant to Section 209.253 RSMo. Relay Missouri service is a statewide system using third party intervention to connect deaf, hearing-impaired and speech-impaired individuals with the telephone system. Sprint has been selected through a competitive bid process to be the provider of Relay Missouri service. The contract with Sprint expires in June 2012 and consequently a new request for proposals will be issued prior to the expiration of the current contract.

A Relay Missouri fund is used to provide funding for this service. The Relay Missouri fund is also used to fund an equipment distribution program which is administered by the Missouri Assistive Technology Council. Relay Missouri is funded by a surcharge applied to basic local telecommunications line service. This surcharge was reduced from \$0.13 to \$0.11 per month effective March 2011.

Relay Statistics: Usage for traditional relay service was 738,957 minutes during the July 1, 2010 through June 30, 2011 time period. Statistics indicate that usage declined by 23 percent over the past year as deaf and speech-impaired individuals appear to be switching from Relay Missouri service to other services such as Internet-based forms of relay service. CapTel usage was 532,621 minutes for the fiscal year, an 18 percent decrease. The adjusted June 2011 closing balance of the Relay Missouri fund was \$5,195,821.

Federal Telecom Activity

Commission members and staff are active in several national organizations that deal with national telecommunications policy. Commissioner Robert Clayton was a member of the **Telecommunications Committee of the National Association of Regulatory Utility Commissioners (NARUC)** and was assisted by a Missouri PSC staff member on the Telecommunications Staff Subcommittee. During the past year, the committee studied such areas as universal service reform and the FCC's National Broadband Plan for broadband deployment.

Commissioner Clayton was also a member of the **North American Numbering Council**, a federal advisory committee designed to advise the FCC on telephone numbering issues and to make recommendations that foster efficient and impartial telephone number use and administration.

Natelle Dietrich of the PSC staff is a staff member of the federal **Universal Service Joint Board**. The Universal Service Board makes recommendations to the FCC on issues related to promoting universal telecommunications service throughout the United States.

PSC Policy Analyst Dana Parish has been appointed to the **NARUC subcommittee of State USF Administrators**. This

subcommittee meets periodically to discuss issues relevant to states with a state USF.

The Commission continues to actively participate in a number of telecommunications issues before the FCC. During the past year, comments were filed in proceedings pertaining to proposed efforts to reform the federal universal service fund, Lifeline and LinkUp programs, and intercarrier compensation.

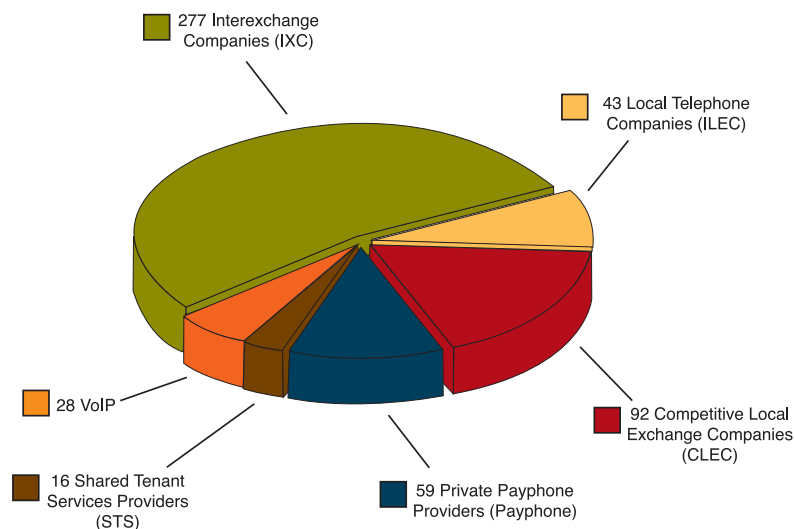
Special Projects

Video Report: The PSC submitted a report to the Missouri General Assembly on August 28, 2011 regarding the developments resulting from implementation of the 2007 Video Services Providers Act. This report is the last of four annual reports.

Since the Act's implementation on August 28, 2007, the Commission has issued 842 video service authorizations to 40 companies. Last year, the Commission issued a cumulative total of 799 video service authorizations to 30 companies. Among the 842 state-issued video authorizations, wireline video service competition exists for 520 authorizations while 322 authorizations currently do not reflect a wireline video service competitor.

Statewide average rate: In January 2011, the PSC submitted a report as required by Section 392.245.13 to the Missouri General Assembly concerning the statewide average rate of nonwireless basic local telecommunications services. Similar studies were compiled in 2005 and 2007. This latest report attempts to identify the statewide average rate based on rates for basic local telecommunications as of August 28, 2010. The overall statewide rate was \$22.49 versus \$13.77 in the 2005 study for an overall percentage increase of 63%. For comparative purposes, the consumer price index rose 11.15% during the time period.

Telecommunications and VoIP Providers



UTILITY ISSUES

Wholesale Disputes

On November 5, 2010, Nexus Communications, Inc. (Nexus) filed a complaint (**Case No. TC-2011-0132**) seeking to recover back promotional credits from Southwestern Bell Telephone Company d/b/a AT&T Missouri. The complaint involved offering retail services at wholesale rates. The matter continues to undergo discovery motions and responses.

On March 30, 2011, Level 3 Communications filed tariff sheets intended to facilitate routing of tandem traffic through its own network. Level 3's tariff proposal would permit interconnection to "soft switches", IP Gateways and Internet telephone service. After overcoming initial objections by the PSC staff and AT&T Missouri, Level 3 modified its 2010 Missouri PSC annual report filing and its proposed tariff sheets. The tariff sheets were permitted to take effect on August 19, 2011.

The PSC staff and AT&T Missouri objected to switched access rates allegedly in excess of those permitted by prior agreement with Metropolitan Telecom. After adjusting its switched access rates to levels not exceeding the agreed-upon cap, Metropolitan's tariff sheets were permitted to go into effect on May 6, 2011 (**Case No. TT-2011-0344**).

The Commission was asked to arbitrate a dispute involving Global Crossing and AT&T Missouri. The dispute primarily centered on the proper intercompany compensation for Internet Protocol-related telephone calls. To conduct the arbitration, the Commission appointed an arbitrator who selected a technical advisory staff. On November 29, 2010, the Arbitrator issued a draft report and on December 15, 2010, the Commission issued its final decision in which it upheld the Arbitrator's decision (**Case No. IO-2011-0057**).

Other Proceedings of Interest

Docket No. TW-2010-0362 has been established to gather information in response to a request by the Missouri Senate Committee on Commerce, Consumer Protection, Energy and the Environment regarding assessing the availability of broadband services within Missouri.

Docket No. TO-2011-0047 was established to investigate the quality of telecommunications service in Missouri. The investigation revealed companies appear to still track the quality of service provided to customers and most companies continue to use the same quality of service measurements prescribed in PSC rules. Company-wide results suggest companies are generally installing and repairing telephone service in a timely manner.

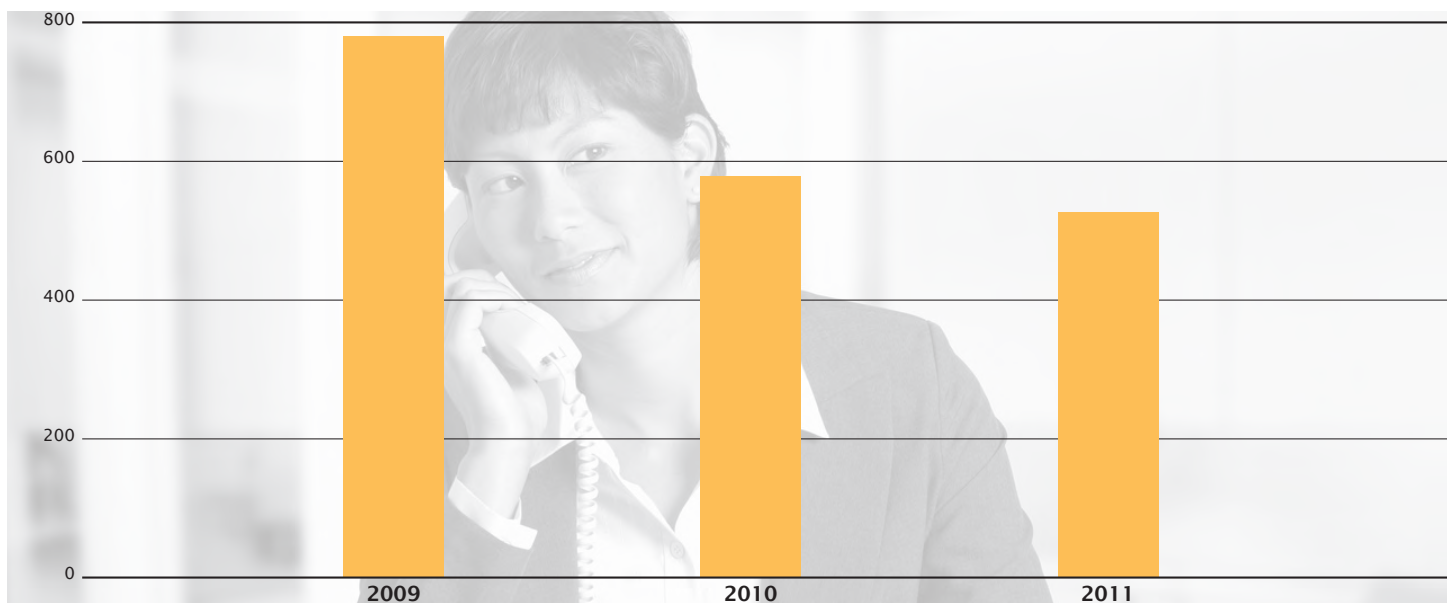
Docket No. TX-2011-0099 eased the PSC's rules concerning the criteria for determining the adequacy of a CLEC's financial capability to provide basic local telecommunications service.

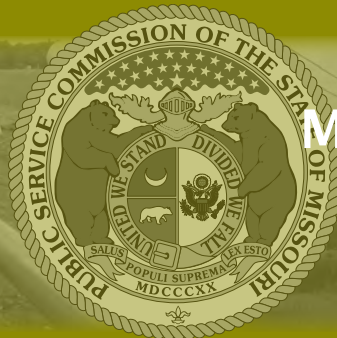
Docket No. TX-2011-0071 responded to a consumer's request for per-line blocking by removing the restriction in Missouri PSC rules that prevents companies from offering per-line blocking to the general public.

Case Nos. AO-2011-0025 and AO-2011-0155 extended, for another three-year term, the authority of the United Way of Greater Kansas City and the United Way of Greater St. Louis to use the "211" dialing code. This authority enables consumers to simply dial "211" and be connected to a United Way agency serving their area in order to obtain referral services.

Case No. TC-2011-0396 was established on June 20, 2011. In this case, the Commission is being asked to rule on the applicability of AT&T Missouri, Inc.'s tariff regarding AT&T's consumer back billing of franchise and other municipal taxes.

Annual Number of Tariff Filings





MANUFACTURED HOUSING AND MODULAR UNIT PROGRAM

The Manufactured Housing and Modular Unit Program is responsible for overseeing the annual registration of dealers, manufacturers of federal Housing and Urban Development (HUD) manufactured homes and modular units, as well as the installers of new manufactured HUD homes. Department field staff enforces uniform construction, safety and installation standards by conducting detailed inspections including the enforcement of tie down and anchoring requirements.

The department has a toll-free number (1-800-819-3180) for consumers who have questions or complaints regarding HUD manufactured homes or modular units. Staff will conduct free home inspections for consumers requesting an inspection. Consumers must complete and submit an Inspection Request/Consumer Complaint form with the department. This form, along with additional information, can be obtained by going to the Commission's website (www.psc.mo.gov) and clicking on the manufactured housing tab at the top of the page.

Last year, the department received over 240 calls per month from consumers, manufacturers, dealers, installers, financial institutions, and local building code officials throughout the state. A combined total of over 400 on-site and consumer complaint inspections were conducted by manufactured housing field inspectors, along with 174 dealer lot inspections and 80 dealer lot investigations. Staff was able to successfully resolve approximately 98% of the complaints by working with manufacturers, dealers, installers and homeowners.

In addition, staff conducts random on-site inspections prior to the completion of the installation of new HUD homes and modular structures. In many cases, these on-site inspections are requested by the installer, dealer or the homeowner to ensure the site is properly prepared before the home is placed on the site. On-site inspections help identify installation problems that can be corrected before home installation is completed, thus reducing costs and ensuring the consumer has a properly installed home.

Oversight and Regulation

Structures that are not properly installed may result in expensive repairs which can take weeks to complete. Most of today's homes and commercial units are multi-section structures installed on crawl spaces or basement foundations or below-frost-grade footings. Many of these structures have high pitched hinged roofs and require specialized equipment to install.

Many multi-section units require several weeks to fully complete from site preparation to final close up and interior finish. Department staff work with local communities to ensure HUD manufactured homes and modular units are built to the applicable building and safety codes and are set up and installed according to applicable state standards.

Joplin Tornado

On May 22, 2011, Joplin was devastated by an F5 deadly tornado, which destroyed or severely damaged thousands of homes, businesses, schools, and a local hospital. Our staff was in Joplin throughout the summer working diligently, sometimes in extreme heat indices, to assist with delivery and proper set up of temporary housing for families in the area. Staff also met with contractors, installers, local building officials, representatives from the Federal Emergency Management Administration (FEMA) and the United States Army Corps of Engineers (USACE), to provide assistance for the proper installation, anchoring and approval of both FEMA homes and commercial modular units, including modular classrooms.

As of August 15, staff had conducted inspections on 225 FEMA homes and 36 modular classrooms in and around the Joplin area with major emphasis on ensuring each structure was properly supported and anchored. Final installation of these structures should be completed in early September. Almost 600 families are currently occupying FEMA homes and 3,500 students are in modular classrooms. Due to the hard work and joint efforts of all parties involved, Joplin students were able to begin classes as scheduled.

In addition, staff continues to work with manufacturers and area dealers who sell and install both new or replacement structures including residential and commercial modular structures, classrooms, fire stations, medical units and office units.

Manufactured Homes & Modular Unit Sales

Approximately 830 new HUD manufactured homes and modular units were sold in Missouri during fiscal year 2011. In addition, 614 used homes were sold in the state.

Modular unit classrooms are a major component of affordable classrooms in many school districts throughout the state. Staff routinely works with school districts to ensure these units are properly installed and anchored, providing a safe environment for all school children.

Commercial modular units have become a popular and affordable alternative to site built commercial units. Commercial modular units range from small single section units to large 16 to 20 section multi-family structures. Other commercial units include specialized units such as medical facilities, banks, jails, parking lot booths and ice houses. Many of these commercial units can be delivered and fully operational within a very short period of time. These commercial structures must meet the applicable commercial building code requirements under the International Building Codes (IBC).

New Legislation

Staff, the Missouri Manufactured Housing Association (MMHA) and the Missouri Department of Revenue (Revenue) continue to work on a proposal that would allow Revenue

MANUFACTURED HOUSING

to issue titles for certain used manufactured homes when the serial number on the home cannot be determined or the disposition of the original title or Manufacturer’s Statement of Origin (MSO) cannot be located.

Legal Action

During the past year, the Manufactured Housing and Modular Units Program Director filed formal complaints against dealers and unlicensed entities for alleged violation of state laws. These complaints related to homes that were allegedly installed and anchored improperly; failure to deliver homes to consumers after payment had been received; and failure to make repairs in a timely manner. The Commission’s dispute resolution hearing process has reduced the number of formal complaints filed with the department. This process includes on-site hearings, which are conducted at the home’s location with the homeowner,

manufacturer, dealer, installer(s) and staff. Corrective action is identified by the staff and the responsible party is required to make the applicable changes within a specified period of time. These hearings have reduced the legal cost for the industry, the consumer, and the department.

Modular Building Codes

During fiscal year 2011, staff worked with the industry to upgrade the modular unit building codes. The building code updating process ensures structures meet the latest standards mandated by local building and code administrators. Local utility companies normally do not connect utilities to a structure unless the Missouri modular seal is verified and affixed to the structure. Staff has worked to ensure modular homes and commercial units are built and installed according to applicable building codes and safety standards, thereby, providing safe and affordable housing.

STATISTICS FOR FISCAL YEAR 2011

Registered Manufacturers:	131
Registered Dealers:	232
Registered Installers:	137
Homes Sold (New & Used):	1,444
Consumer Complaint Inspections:	79
On-Site Inspections (SB 1096)	319
Joplin FEMA Home Site Inspections:	225
Joplin Commercial Modular Classroom Inspections:	36
Dealer Lot Inspections:	174
Dealer Lot Investigations:	80
Modular Unit Seals Issued:	507
Modular Unit Plans Approved:	372
Installer Decals Issued (SB 1096)	755





ENGINEERING AND MANAGEMENT SERVICES

Management Services Staff

Management analysts participated in a variety of cases and audit projects during 2011. Engineering and Management Services Department (EMSD) staff performed analyses in conjunction with the review of numerous small water and sewer companies to assist them in providing sound customer service and efficient and effective business practices.

The audit program, which has been refined over the years, is designed to assist small companies, defined as having approximately 8,000 or fewer customers, in a variety of areas including: customer billing, credit and collections, complaint handling, business office operations and record retention. The program is utilized by management analysts when a small utility requests a rate increase. As part of the audit program, management analysts produce a report that contains a description of the company's processes and procedures as well as audit findings and recommendations for improvement. The audit program also includes implementation reviews, along with continued monitoring of the small utilities after completion of the audit reports. Such follow-up work was also performed at a number of small companies during 2011.

Management analysts performed service quality analysis during 2011 at a number of small water and sewer companies including: Aqua Missouri, Inc., Seges Mobile Home Park, Timber Creek Sewer Company, TBJ Sewer Systems, Inc., House Springs Sewer Company, Rex Deffenderfer Enterprises, Inc., Stockton Hills Water Company, Whiteside Hidden Acres, LLC, Tri-States Utility Company, Midland Water Company, Highway H Utilities, I.H. Utilities, Noel Water Company and KMB Utility Corporation. The majority of these analyses were performed in the context of rate increase or acquisition cases.

Management analyst staff were also involved in the large company rate cases of KCPL and KCP&L-GMO (**Case Nos. ER-2010-0355 and ER-2010-0356, respectively**), as well as a rate request filed by the Missouri-American Water Company (**Case No. WR-2012-0056**). Staff's involvement in these cases was prompted by service quality matters. EMSD staff meets quarterly with KCPL and KCP&L-GMO to address service quality topics as a result of the Great Plains Energy/KCPL/Aquila, Inc. merger (**Case No. EM-2007-0374**).

Staff also participated in the Telecommunications Department's review of Universal Service Fund (USF) certifications of: Lathrop Telephone, Grand River Mutual Telephone Corporation, McDonald County Telephone Company, Seneca Telephone Company and Goodman Telephone Company. EMSD staff analyzed a variety of processes and practices during each of these reviews including customer billing and payment remittance, credit and collections, local business office operations and the company's handling of customer complaints and inquiries. The department's audit work was similar to

audits conducted on the small water and sewer companies described above.

EMSD staff has submitted data requests to 60 telecommunication companies operating in Missouri and will be participating in the audit of five of these companies to ensure their Lifeline programs are being administered properly.

Management analysts are also currently participating in two merger and sale cases: the joint application of Southern Missouri Gas Company to merge with Missouri Gas Utility, Inc. (**Case No. GM-2011-0354**) and the application by Atmos Energy Corporation and Liberty Energy to purchase Atmos' Missouri gas properties (**Case No. GM-2012-0037**).

Management analysts also attended a number of local public hearings regarding rate increase requests during the fiscal year and participated in the investigation and resolution of several customer complaints.

Staff continues to receive and review quality of service reports from a variety of companies as a result of mergers and rate cases. These reports contain information regarding customer service, including data on call center indicators such as average speed of answer (ASA) and abandoned call rate (ACR). Staff monitors call center performance of all the state's large regulated natural gas and electric companies as well as Missouri-American Water Company. Staff specifically reviews and analyzes call center performance trends, and reviews often result in additional inquiries to the utilities regarding performance.

Management analysts also participated in PSC Consumer Services Roundtable meetings to contribute toward potential revisions to Chapter 13 Commission rules regarding service and billing practices for residential customers of natural gas, electric and water companies.

Engineering Staff

Department engineering staff performed a depreciation analysis on a number of large and small utility companies during the fiscal year. The purpose of depreciation in a regulatory environment is to recover the original cost and cost of removal less salvage of capital investment from customers and to allocate those costs over the useful life of the assets.

Annual depreciation expense, distributed over the life of each asset, results in the full recovery of the original cost plus cost of removal of capital assets. The engineers' objective is to propose depreciation rates that are fair and appropriate for each company as well as its customers. Historical plant additions and retirements are studied in computer models that assist depreciation engineers in determining an average service life for utility assets that are classified in a system of plant accounts. These engineers also participate in plant visits to observe the physical assets represented in the individual accounts that are being depreciated.

ENGINEERING AND MANAGEMENT SERVICES

Commission rules provide specific requirements for utilities to maintain their plant records. Depreciation comprises a significant component of the cost used to develop utility rates paid by consumers.

During 2011, engineering staff conducted depreciation analyses in the context of several large utility rate cases including those filed by Ameren Missouri (**Case No. ER-2010-0036**), The Empire District Electric Company (**Case No. ER-2011-0004**), Veolia Energy (**Case No. HR-2011-0241**), KCPL and KCP&L-GMO (**Case Nos. ER-2010-0355 and ER-2010-0356 respectively**), and Southern Missouri Natural Gas Company (**Case No. GR-2010-0347**). They are currently reviewing depreciation and plant-in-service

records in Missouri-American Water Company's request for water and sewer rate increases (**Case Nos. WR-2011-0337 and SR-2011-0338**).

Depreciation analysis is also being performed on the Atmos sale case to Liberty Energy. Engineers continue to review depreciation and plant records used to determine the depreciation expense portion of the revenue requirement for numerous small water and sewer companies in the context of rate cases. Engineers also continue to observe and report on ongoing activities at the Taum Sauk Power Plant. Small company merger, sale and new certificate cases also require depreciation review and analysis.

CONSUMER SERVICES

The Consumer Services Department responds to complaints and inquiries received by the Commission. These complaints may be filed by mail, facsimile, e-mail or the Commission's consumer toll free hotline 1-800-392-4211. Complaints may also be submitted on-line through the Commission's website.

Consumer services specialists receive, investigate and respond to billing and service issues involving natural gas, electric, water, sewer and telecommunications companies regulated by the Commission.

The investigation of complaints may involve consulting with the Commission's technical staff, utility representatives and researching utility tariffs as well as the Commission rules and regulations.

Specialists interact with other PSC staff regarding consumer service issues in proposed rulemakings on the state and federal level. This interaction involves participating in customer-service focused reviews of utility operations and participating in formal cases before the Commission regarding issues that impact customer services.

Consumer service specialists also refer consumers to other agencies that may provide the needed assistance. The Consumer Services Department was involved in nine various outreach programs and energy fairs around the state, working to increase public awareness of Commission activities.

Consumer Services Department FY2011

Calls and Complaints Handled:

Calls Handled in FY2011

- Complaints - 3224
- Public Comments - 1866
- Inquiries - 5103
- TOTAL - 10,193

Complaints by Utility Type in Descending Order:

- Electric - 1531
- Gas - 898
- Telephone - 491
- Water - 278
- Sewer - 26

Formal Complaint Cases Handled by Consumer Services:

- Gas - 5
- TOTAL - 8
- Electric - 3

Consumer Savings for FY2011 - \$247,831

- 1st Qtr - \$65,290
- 3rd Qtr - \$95,144
- 2nd Qtr - \$50,873
- 4th Qtr - \$36,524

FY2011 Top Complaint Issues

- Gas - Discontinuance of Service, Billing Issues (Disputed Bill, Re-Bill)
- Electric - Discontinuance of Service, Billing Issues (High Bill, Disputed Bill), Denial of Service
- Telephone - Service Quality Issues, Disputed Bill
- Water - Billing (High Bill & Disputed Bill), Discontinuance of Service
- Sewer - Disputed Bill

YEAR IN REVIEW

2010

July 15 - PSC amends rules simplifying small formal complaint process.

July 30 - New PSC ethics and standard of conduct rules take effect.

August 10 - PSC sets up workshop to explore ways to improve and clarify Missouri's renewable energy standard law.

August 18 - PSC approves agreement reached in Laclede Gas Company rate case. When company filed its case on December 4, 2009, it sought a net increase of approximately \$52.6 million. Under the agreement approved by the PSC, the net increase was approximately \$20.5 million.

August 18 - PSC approves agreement determining The Empire District Electric Company's Plum Point power plant was fully operational and used for service before August 15, 2010.

August 18 - PSC grants a \$4.6 million natural gas rate increase to the Atmos Energy Corporation. When Atmos filed its rate case in December 2009, it sought to increase annual natural gas revenues by approximately \$5.4 million.



September 1 - PSC opens case to examine local telephone service quality.

September 3 - Ameren Missouri files an electric rate case with the PSC seeking to increase annual electric operating revenues by approximately \$263 million.

September 13 - PSC observes National Telephone Discount Lifeline Awareness Week.

September 28 - The Empire District Electric Company files an electric rate case with the PSC seeking to increase



annual electric operating revenues by approximately \$36.5 million.

October 6 - PSC approves the sale of the water system assets of U.S. Water Company to the City of Lexington.

November 1 - PSC Cold Weather Rule takes effect.

November 3 - PSC approves the transfer of the water system assets of the Loma Linda Water Company to the Missouri-American Water Company.

November 8 - PSC holds the first of three roundtables to discuss possible legislative and/or regulatory solutions to improve and clarify the Renewable Energy Standard Law in Missouri.

November 23 - PSC issues order reducing the Relay Missouri surcharge from \$0.13 a month per telephone line to \$0.11 a month.

November 23 - PSC opens case to investigate Southwest Power Pool cost allocation and cost overruns.

2011

January 19 - PSC approves agreement reached in Raytown Water Company rate case which grants a water rate increase of approximately \$336,867. When the company filed its request in April 2010, it sought to increase annual water operating revenues by approximately \$471,205.

January 19 - PSC approves an agreement reached in Southern Missouri Natural Gas rate case which grants a natural gas rate increase of approximately \$1.3 million. This marks the first general rate increase for Southern Missouri Natural Gas since 2000.

January 19 - PSC opens case to investigate water and sewer service in landlord-tenant relationships.

YEAR IN REVIEW

January 19 - PSC approves agreement reached in Ameren Missouri natural gas rate case which grants a net rate increase of approximately \$5.6 million. When Ameren Missouri filed its rate request in June 2010, it sought a net increase in annual natural gas operating revenues of approximately \$11.9 million.

January 26 - PSC withdraws geographic sourcing language from Proposition C rules.

January 28 - PSC staff files report on basic local telephone rates.

February 9 - Robert Clayton steps down as Chairman of the Missouri Public Service Commission.

February 9 - PSC adopts new energy efficiency investment rules.

February 10 - Governor Jay Nixon appoints Kevin Gunn as Chairman of the Missouri Public Service Commission.

February 23 - PSC staff issues telecommunications quality of service report.

March 30 - Presentation on the safety of nuclear facilities in Missouri held as part of Commission agenda meeting.

April 6 - PSC observes National Safe Digging Month.

April 6 - PSC approves Missouri-American Water Company request to acquire the water and sewer operations of Aqua Missouri, Inc.

April 12 - PSC approves agreement which grants Tri-States Water Company a rate increase of approximately \$88,024. When the company filed its request in August 2010, it sought to increase annual water operating revenues by approximately \$620,000.

April 12 - PSC opens case to study benefits and encourage utility company efforts to acquire goods and services from diverse suppliers.

April 12 - PSC issues decision in Kansas City Power & Light Company electric rate case granting an increase of approximately \$34.8 million. When the company filed its rate request in June 2010, it sought to increase annual electric operating revenues by approximately \$92.1 million.

April 27 - PSC releases report on natural gas pipeline safety including past efforts and future initiatives to improve consumer safety.

May 4 - PSC issues decision in KCP&L-Greater Missouri Operations Company electric rate case granting a rate increase of approximately \$57.8 million. When the company filed its request in June 2010, it sought to increase annual electric operating revenues by approximately \$97.9 million.

May 27 - PSC orders a rate increase phase-in for L&P service territory customers of the KCP&L-Greater Missouri Operations Company. This relates to the Commission's May 4 decision in a rate case filed by KCP&L-Greater Missouri Operations Company.

June 1 - PSC approves agreement reached in The Empire District Electric Company electric rate case, granting an increase of approximately \$18.68 million. When the company filed its rate request on September 28, 2010, it sought to increase annual electric operating revenues by approximately \$36.5 million.

June 30 - Missouri-American Water Company files water and sewer rate cases with the Public Service Commission seeking to increase annual operating revenues by approximately \$42.9 million.



STATISTICAL INFORMATION

RATE CASE DECISIONS DURING FISCAL YEAR 2011

NATURAL GAS

Date of Order	Case No.	Company	Rate Request	PSC Decision
8/18/10	GR-2010-0171	Laclede Gas Co.	\$52,600,000	\$20,500,000
8/18/10	GR-2010-0192	Atmos Energy	\$5,400,000	\$4,600,000
1/19/11	GR-2010-0347	Southern Mo. Gas	\$1,000,000	\$1,300,000
1/19/11	GR-2010-0363	Ameren Missouri	\$11,900,000	\$5,600,000 (1)

(1) Net natural gas rate increase.

ELECTRIC

Date of Order	Case No.	Company	Rate Request	PSC Decision
4/12/11	ER-2010-0355	KCP&L	\$92,100,000	\$34,800,000
5/4/11	ER-2010-0356	KCP&L-GMO	\$97,900,000	\$57,800,000 (2)
6/1/11	ER-2011-0004	Empire District	\$36,500,000	\$18,685,000

(2) Rate phase-in ordered for L&P customers of KCP&L-GMO.

WATER & SEWER RATE CASES

Case Number	Company	Effective Date	Increase Requested	Increase Granted
WR-2010-0304	Raytown Water	1/31/11	\$471,205	\$336,867
WR-2010-0309	Middle Fork Water Co.	11/24/10	\$55,000	\$145,429
SR-2010-0320	Timber Creek Sewer Co.	4/9/11	\$63,500	\$35,986
WR-2010-0345	KMB Utility Corporation	1/26/11	\$10,000	\$22,890
SR-2010-0346	KMB Utility Corporation	2/1/11	\$12,100	\$1,905
WR-2010-0024	Whiteside Hidden Acres, LLC	4/11/11	\$8,506	\$7,464
WR-2011-0037	Tri-States Utility Inc.	5/1/11	\$620,000	\$88,024
WR-2011-0056	Rex Deffenderfer Enterprises, Inc.	3/30/11	\$79,821	\$31,081
SR-2011-0133	Seges Partners Mobile Home Park, LLC.	4/1/11	\$5,697	\$8,627
SR-2011-0182	TBJ Sewer Systems, Inc.	Pending	\$8,941	Pending
SR-2011-0274	House Springs Sewer Company, Inc.	Pending	\$125,000	Pending
WR-2011-0337	Missouri-American Water Company	Pending	\$42,900,000	Pending
SR-2011-0338	Missouri-American Water Company	Pending		Pending

STATISTICS

NATURAL GAS UTILITIES STATISTICS Calendar Year 2010 (Missouri Jurisdictional)

Name of Company	Operating Revenues	Mcfs Sold	Residential Customers	Total Customers
Atmos Energy Corporation	\$ 45,096,840	8,555,074	49,285	56,318
Empire District Gas Company, The	\$ 50,469,561	8,911,505	38,277	43,734
Laclede Gas Company	\$ 803,046,388	87,497,521	599,793	641,132
Missouri Gas Energy (1)	\$ 622,016,724	77,774,123	443,605	507,881
Missouri Gas Utility, Inc. (2)	\$ 3,342,880	275,903	1,802	2,234
Southern Missouri Natural Gas (3)	\$ 10,471,054	1,360,925	5,344	8,078
Ameren Missouri (4)	\$ 165,544,428	16,548,406	113,364	126,574
Totals:	\$1,699,987,875	200,923,457	1,251,470	1,385,951

Source: MoPSC FERC Form 2 2010 Annual Reports (Missouri Jurisdictional)

Notes:

(1) a division of Southern Union Company

(2) a subsidiary of Summit Utilities, Inc.

(3) Southern Missouri Gas Company, L.P. d/b/a

(4) Union Electric Company d/b/a

ELECTRIC UTILITIES STATISTICS Calendar Year 2010 (Missouri Jurisdictional)

Name of Company	Operating Revenues	MWhs Sold	Residential Customers	Total Customers
Empire District Electric Company, The	\$ 385,105,768	4,270,777	125,702	149,486
Kansas City Power & Light Company	\$ 683,108,541	8,877,996	239,600	271,992
KCP&L Greater Missouri Operations Company-L&P	\$ 148,211,855	2,197,640	58,249	66,079
KCP&L Greater Missouri Operations Company-MPS	\$ 547,434,707	6,141,414	215,532	246,385
Ameren Missouri (1)	\$2,610,547,084	38,427,459	1,035,424	1,190,872
Totals:	\$4,374,407,955	59,915,286	1,674,507	1,924,814

Source: MoPSC FERC Form 1, 2010 Annual Reports (Missouri Jurisdictional)

(1) Union Electric Company d/b/a

STEAM STATISTICS Calendar Year 2010 (Missouri Jurisdictional)

Name of Company	Operating Revenues	MMBtus Sold	Residential Customers	Total Customers
KCP&L Greater Missouri Operations Company	\$16,600,000	2,571,838	0	5
Trigen-Kansas City Energy Corporation	\$19,474,373	1,848,091	0	57
Totals:	\$36,074,373	4,419,929	0	62

Source: 2010 Annual Report

STAND ALONE WATER AND SEWER COMPANIES*

CALENDAR YEAR 2010

Name of Water Company	Customers	Name of Sewer Company	Customers
Argyle Estates Water System	52	Cannon Home Association	103
Bilyeu Water Company	54	Central Rivers Wastewater Utility, Inc.	222
Empire District Electric Co.	4,529	EMC of St. Charles	19
Environmental Utilities	21	House Springs Sewer Co.	1,400
Evergreen Lake Water Co.	64	M.P.B. Inc.	195
Franklin County Water Co.	184	Meramec Sewer Co.	992
Gascony Water Co., Inc.	182	Mid MO Sanitation	28
I H Utilities	698	Mill Creek Sewer Co. (1)	75
Kimberling City Water Company	94	North Oak Sewer	77
Lakeland Heights Water	104	P.C.B. Inc.	285
Middlefork Water Co. **	2	RD Sewer	164
Midland Water Co.	119	RDG Development, LLC	30
Moore Bend Water Co.	88	Taneycomo Highlands	26
Noel Water Co. (2)	658	TBJ Sewer Systems, Inc.	59
Oakbrier Water Co.	59	Timber Creek Creek Sewer Co.	1,546
Ozark Shores Water Co.	1,840	Village Water & Sewer	237
Public Funding Corp of Ozark	219	Warren County Sewer Co.	35
Raytown Water Co.	6,475	West 16th Street	148
Rex Deffenderfer Enterprises Inc.	1,119	WPC Sewer Co.	68
Riverfork Water Co.	143		
Spokane Highlands Water Co.	49	Total Number of Customers	5,709
Stockton Hills Water Co.	161		
Smithview H2O Co.	153		
Tri State Utility Co.	3,374		
U.S. Water/Lexington (2)	2,183		
Village Greens Water Co.	49		
Whispering Hills Water Co.	57		
Whiteside Hidden Acres, LLC	37		
Woodland Manor Water Co.	163		
Total Number of Customers	22,930		

*Active Companies as of 8/1/11. Customer numbers based on most recent data available.

**Middlefork Water Company which provides water to Grant City and Standberry which buy the water wholesale to provide to approximately 2,100 customers.

(1) Operating Under Receivership

(2) Sale/Transfer Pending

STATISTICS

COMBINATION WATER AND SEWER COMPANIES* CALENDAR YEAR 2010

Company Name	Water Customers	Sewer Customers
Algonquin Water Resources	767	385
Aqua Missouri, Inc. (2)	0	216
Brandco Investments	206	206
Calvey Brook	0	0
Emerald Pointe Utility Co.	374	367
Envirowater	0	0
Foxfire	306	181
Gladlo Water & Sewer Co. (1)	71	64
Hickory Hills Water & Sewer Co.(1)	48	47
Highway H Utilities, Inc.	865	282
Holtgrewe Farms Water Co. LLC	0	0
KMB Utility Corp. (2)	539	218
Lake Northwoods Utility Co.	20	20
Lake Region Water and Sewer Co.	637	1,162
Missouri-American Water Co.	451,800	2,899
Missouri Utilities Co. (1)	155	130
Osage Water Co. (1)	418	386
Peaceful Valley Service Co.	171	164
Port Perry Service Co.	261	175
Roark Water and Sewer (2)	708	630
Rogue Creek Utilities (1)	109	109
Roy L Utilities, Inc.	62	53
S K & M Water & Sewer Co.	276	152
Seges Mobile Home Park	59	59
Southtown Utilities Co., Inc.	91	53
Taney County Utilities Corp. (2)	513	73
Terre Du Lac Utilities Corp.	1,296	1,174
Valley Woods Water Co.	40	35
Willows Utility Co.	186	196
Total Number of Customers	459,978	9,436

*Active Companies as of 8/1/11. Customer numbers based on most recent data available.

(1) Operating Under Receivership

(2) Sale/Transfer Pending

CONTACTING THE PSC

Missouri Public Service Commission offices are located in Kansas City, Jefferson City and St. Louis. The PSC is open from 8:00-12:00 noon and 1:00-5:00 p.m., Monday through Friday, except on state holidays.

Jefferson City: Missouri Public Service Commission
Governor Office Building
200 Madison Street
(Mailing Address: P.O. Box 360)
Jefferson City, MO 65102
**Toll-free Consumer Hotline for
Complaints: (800) 392-4211**
**Manufactured Housing/Modular Unit
Complaints: (800) 819-3180**
Other Business: (573) 751-3234
Fax: (573) 751-1847

St. Louis: Missouri Public Service Commission
111 North 7th Street, Suite 105
St. Louis, MO 63101
Telephone No.: (314) 340-4700
Fax: (314) 340-4725

Kansas City: Missouri Public Service Commission
Fletcher Daniels State Office Building
615 E. 13th Street
Kansas City, MO 64106
Telephone No.: (816) 889-3943
Fax: (816) 889-3957

Web site address: www.psc.mo.gov

PSC COMMISSIONERS PAST AND PRESENT

COMMISSIONER	LENGTH OF SERVICE	COMMISSIONER	LENGTH OF SERVICE
John M. Atkinson	1913-1916	Frank Collier	1953-1954
William F. Woerner	1913-1914	M.J. McQueen	1954-1956
John Kennish	1913-1917; 1920	D.D. McDonald	1955-1961
Frank A. Wightman	1913-1915	William Barton	1956-1965
Howard B. Shaw	1913-1917	Frank J. Iuen	1959-1963
Edwin J. Bean	1914-1925	Frank W. May	1961-1967
Eugene McQuillin	1915-1917	Donal D. Guffey	1963-1968
William G. Busby	1916-1921	William R. Clark	1965-1975
David E. Blair	1917-1920	Charles J. Fain	1965-1977
Noah W. Simpson	1917-1923	Howard Elliot, Jr.	1967-1970
Edward Flad	1917-1921	Marvin E. Jones	1967-1973
John A. Kurtz	1920-1923	Willard D. Reine	1968-1975
Hugh McIndoe	1921-1923	James F. Mauze	1971-1975
A.J. O'Reilly	1921-1925	A. Robert Pierce, Jr.	1973-1977
Richard H. Musser	1923-1925	James P. Mulvaney	1975-1977
Merrill E. Otis	1923-1924	Stephen B. Jones	1975-1979
Thomas J. Brown	1923-1928	Hugh A. Sprague	1975-1979
D.E. Calfee	1925-1929	Charles J. Fraas	1977-1983
Almon Ing	1925-1933	Leah Brock McCartney	1977-1983
S.M. Hutchinson	1925-1931	Alberta Slavin	1977-1981
J.H. Porter	1925-1933	Stephanie Bryant	1979-1981
James P. Painter	1928-1929	Larry W. Dority	1979-1983
Milton R. Stahl	1929-1933	John C. Shapleigh	1981-1984
J. Fred Hull	1929-1934	Charlotte Musgrave	1981-1988
George H. English	1931-1936	Allan G. Mueller	1983-1996
J.C. Collet	1933-1935	Connie Hendren	1983-1989
William Stoecker	1933-1936	James M. Fischer	1984-1989
W.M. Anderson	1933-1938	William D. Steinmeier	1984-1992
Harry E. McPherson	1934-1935	David Rauch	1989-1993
Sam O. Hargus	1935-1937	Kenneth McClure	1990-1997
John S. Boyer	1935-1941	Ruby Letsch-Roderique	1990-1991
Albert D. Nortoni	1936-1938	Patricia Perkins	1991-1995
John A. Ferguson	1936-1944	Duncan Kincheloe	1992-1997
J.D. James	1937-1942	Harold Crumpton	1993-2000
Marion S. Francis	1938-1941	M. Dianne Drainer	1995-2001
Scott Wilson	1938-1941	Karl Zobrist	1996-1997
Paul Van Osdol	1941-1943	Robert Schemenauer	1998-2001
Frederick Stueck	1941-1943	Sheila Lumpe	1997-2003
Kyle Williams	1941-1952	Connie Murray	1997-2009
Charles L. Henson	1942-1959	Kelvin Simmons	2000-2003
Albert Miller	1943-1944	Bryan Forbis	2001-2003
Richard Arens	1944-1945	Steve Gaw	2001-2007
Agnes Mae Wilson	1943-1949	Linward "Lin" Appling	2004-2008
E.L. McClintock	1945-1967	Robert Clayton III	2003-2011
Morris E. Osburn	1945-1952	Jeff Davis	2004-present
John P. Randolph	1949-1951	Terry Jarrett	2007-present
Henry McKay Cary	1950-1955	Kevin Gunn	2008-present
Maurice Covert	1952-1953	Robert S. Kenney	2009-present
Tyre W. Burton	1952-1965		



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